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11 March 1980

## LATIN AMERICA REPORT

No. 2121

## CONTENTS

## PAGE

## INTER-AMERICAN AFFAIRS

Argentine Daily Cites Uruguayan Paper on Soviet 'Extortion' (LA PRENSA, 23 Feb 80).....	1
Castro Meets With Grenada's Bishop (Havana Domestic Service, 27 Feb 80).....	3
Havana's Ties With Caribbean Grow Stronger (Havana International Service, 27 Feb 80).....	4
Briefs	
Grenada Asks Jamaican Assistance	6
Saint Lucian Official Visits Venezuela	6
OCLEA Medics to Nicaragua	6
Ecuadorean Visitors to Cuba	7
Nicaraguans in Costa Rica	7
SELA Official's Tour	7

## ARGENTINA

Argentine Daily Decries U.S. Policy Toward Central America (Editorial; LA PRENSA, 26 Feb 80).....	8
ICFTU Leaders Find Labor Situation Disturbing (AFP, 23 Feb 80).....	10
Briefs	
Subversives Sentenced	12
Visiting African Minister	12
Departure of Australian Ambassador	12
New Ambassador to Canada	12
Iraqi, Jordanian Ambassadors	12
Agreement With Philippines	12
New Netherlands Ambassador	12

- a -

[III - LA - 144]



CONTENTS (Continued)	Page
BARBADOS	
Briefs	
No OPEC Thrid World Aid	13
BOLIVIA	
Diplomatic Circles Fear U.S. Support for Coup d'Etat (Eduardo Perez Iribarne; AFP, 28 Feb 80).....	14
Interior Minister Comments on Elections, Terrorism (Radio Panamericana Network, 27 Feb 80).....	16
Mines, Metallurgy Minister Scores GSA Tin Sales (Radio Cruz del Sur Network, 28 Feb 80).....	17
Briefs	
Leftist Parties Set Bases	18
GDR Credit Agreement	18
CHILE	
Guzman, Orrego Present Differing Views on Nation's Future (HOY, 16 Jan 80).....	19
Factors Involved in Income Distribution Analyzed (EL MERCURIO, Feb 80).....	34
COSTA RICA	
Former Ministers Call for Unity Against Communism (LA NACION, 25 Jan 80).....	58
Paper Says Country in Trouble (LA NACION, 30 Jan 80).....	61
Private Sector Leader Says Country Situation 'Disastrous' (LA NACION, 27 Jan 80).....	63
Paper Labels CODESA 'White Elephant' (Editorial; LA NACION, 25 Jan 80).....	65
Oduber Defends CODESA as Necessary (LA NACION, 27 Jan 80).....	67



# CONTENTS (Continued)

Page

Costa Rican Trade Balance Deficit With Central America Noted (Ljdielte B. de Charpentier; LA NACION, 25 Jan 80)...	71
--	----

Basic Foodstuffs Shortages Discussed (Daniel Madrigal; LA REPUBLICA, 24 Jan 80).....	74
---	----

Briefs International Criminal Registry	76
---	----

## CUBA

Huber Matos Calls Castro Opportunist, Not Communist (EFE, 28 Feb 80).....	77
--	----

Solidarity With West Sahara Reaffirmed (Havana Domestic Service, 28 Feb 80).....	78
---	----

Veiga Expresses Support for New Worker Discipline Law (Havana Domestic Service, 21 Feb 80).....	79
--	----

Foreign Ministry Statement on Right of Asylum (GRANMA, 29 Jan 80).....	80
---	----

Civil Defense Exercise: Rehearsal for Enemy Bombing Attack (Pastor E. Cabrera; VERDE OLIVO, 3 Feb 80).....	81
--	----

Junior Military Cadets Get Communist 'Attitude' Training (Pablo Cabrera Milian Interview; VERDE OLIVO, 3 Feb 80).....	85
---	----

Food Embargo Termed Imperialist Blackmail (Jesus Suarez Moreno; JUVENTUD REBELDE, 28 Jan 80).....	89
---	----

Soviet Technicians Working on Cuban Archeological Atlas (GRANMA, 30 Jan 80).....	92
---	----

Crimes, Malfeasance, Shoddiness Reflect Economic Conditions (Various sources, various dates).....	94
---	----

Butchers Swindle Customers  
Fish Shops Swindle Customers  
Workdays Wasted in Agriculture, by Marta Jimenez  
Almira

# CONTENTS (Continued)

Page

Grocery Manager Fired, by Nieves Enrique Gigato	
Embezzling in People's Government	
Violations in Butcher Shops, by Jesus Mena	
'The Battle Against Crime', by Edmundo Alemany	
Mass Rejection of Seedlings, by Rafael Cao	
Fernandez	
Butcher Shop Swindling Explained, by Marcos	
Alfonso	
Crimes, Waste, Inefficiency, Cheating, Reflect	
Conditions	
(Various sources, various dates).....	106
Manager Charged With Embezzlement, by Gabriel	
Molina	
Industrial Breakdowns Hamper Harvest, by Manuel	
Poll	
Disorganized Fertilizer Operation, by Lazaro	
Barredo Medina	
Shoddy Toothbrush Quality	
Economic Conditions Reflected in Press Reports	
(Various sources, 17, 20 Dec 79).....	113
Illegal Electric Hookups Dismantled	
Bottle Shortage	
Theft of Household Goods	
Water Outages Announced	
Economic Conditions Reflected in News Reports	
(Various sources, various dates).....	115
Deficiencies in Eating Establishments, by Edith	
Martinez	
Poor Packing Causes Waste	
Gas Station Fraud Explained, by Teresa Valdes,	
Jorge Petinaurd	
Problem-Laden National Economy	
Briefs	
Quality Control	122
Cattle Industry Meeting	122
GDR Delegation	122
Sugar Harvest Push Urged	123
1979 Metallurgic Production	123

# CONTENTS (Continued)

Page

ANAP National Directorate Meeting	123
Teacher Detachment Established	123
Farm Cooperatives Growth	124
MININT Vanguard Members	124
Danish Trade Union	124
Communications Workers Awarded Flags	124
Ecuadorean Visitors	124
Risquet's Las Tunas Visit	125
Cinema Agreement With Poland	125
CEMA Medical Meeting	125
Japanese Communist Party Congress	125
UNESCO Officials	126
FMC Congress	126
Soviet Freightier	126

## DOMINICAN REPUBLIC

Government To Review Oil Exploration Contracts (Jose Romero; LISTIN DIARIO, 17 Jan 80).....	127
PRD Leader Views Plans To Nationalize Oil Refinery, Banks (EL NACIONAL, 15 Jan 80).....	130
Gasoline Use Drops, Shortage of Lubricants Foreseen (Octavio Mata Vargas; LISTIN DIARIO, 14 Jan 80).....	132

## EL SALVADOR

Diplomatic Changes, Embassy Security Discussed (LA PRENSA GRAFICA, 18 Feb 80).....	134
BPR Column Discusses People's Struggle (LA PRENSA GRAFICA, 16 Jan 80).....	136
MLP Leader Views Troubled Political Situation (Gilberto Lopez; AFP, 23 Feb 80).....	139
FPL Lists Major Tasks of Revolution (API NEWS, 22 Feb 80).....	141
Junta Issues Communique on Banking System (ACAN, 26 Feb 80).....	143



CONTENTS (Continued)	Page
Supreme Court Announces New Judicial Appointments (LA PRENSA GRAFICA, 31 Jan 80).....	144
Briefs	
Loss of Credibility Analyzed	149
Demonstration Against U.S. Aid	149
Archbishop's School Stand Opposed	150
<b>GRENADA</b>	
EEC Loan To Benefit Country's Ward Islands (ADVOCATE-NEWS, 21 Feb 80).....	151
Briefs	
Low Income Housing Launched	152
<b>GUATEMALA</b>	
Briefs	
Peasants To Get Land	153
<b>HONDURAS</b>	
Commentary Hits Extremists for Peasant Land Takeovers (Tegucigalpa Domestic Service, 26 Feb 80).....	154
Commentary Views Border Conflict With El Salvador (Tegucigalpa Domestic Service, 26 Feb 80).....	156
<b>JAMAICA</b>	
Party Official Interviewed on Visit to Iraq (Duncan Interview; AL-THAWRAH, 20 Feb 80).....	158
Briefs	
Aluminum Investments	160
<b>NICARAGUA</b>	
Robelo Explains MDN Stand on Revolution (Vindel Matus; LA PRENSA, 15 Feb 80).....	161
Communique Calls for Charges To Be Filed Against Somozists (Radio Sandino, 26 Feb 80).....	163

# CONTENTS (Continued)

Page

Citizen Groups Criticize Performance of Local Juntas (Radio Sandino, 26 Feb 80).....	164
Millionaire Alfredo Pellas To Donate Property to State (Radio Corporación, 21 Feb 80).....	165
Housing Minister Reports on Results of Cuban Visit (BARRICADA, 16 Feb 80).....	166
Wheelock Comments on Agrarian Reform Seminar (BARRICADA, 15 Feb 80).....	168
Cattlemen Criticize Economic Situation (Radio Corporación, 25 Feb 80).....	171
Article Surveys Nation's Banana Production, Exports (Arnaldo Chibbarco; LA ESTRELLA DE PANAMA, 20 Jan 80).....	174
Workers Demand Investigation of Standard Steel Company (BARRICADA, 19 Feb 80).....	184
<b>Briefs</b>	
Continued Membership in Common Market	186
Spadafora Ready To Defend Revolution	186
Somozist Prisoners' Rehabilitation	186
FRG Foundation Donation	187
Former Ambassador Reports Experiences	187
Housing Ministry Warns Landlords	187
Corn Imports From Guatemala	187
'LA PRENSA' Workers Score 'AP'	188
Prisoners Working on Atlantic Coast	188
New Ambassador to UN	188

## ST KITTS

Simmons, Daniel Pledge Accelerated Development (ADVOCATE-NEWS, 20 Feb 80).....	189
---	-----

## VENEZUELA

Coup d'etat Rumors, Possibilities Discussed (BOHEMIA, 4-10 Feb 80).....	191
AD Split Foreseen in 1980; Perez Seen as Cause (Junio Perez Blasini; RESUMEN, 3 Feb 80).....	196

# CONTENTS (Continued)

Page

Youth Group Criticizes Government Policy on El Salvador (Radio Continente Network, 26 Feb 80).....	199
Lack of Housing, Public Services Predicted To Worsen (Enrique Castejon Lara; BOHEMIA, 4-10 Feb 80).....	200
Orinoco Oil Areas Assigned To Operating Companies (Humberto Calderon Berti Interview; EL UNIVERSAL, 30 Jan 80).....	203
Oil Industry Goods, Services Need To Be Nationalized (EL UNIVERSAL, 7 Feb 80).....	205
Briefs	
Oil Byproducts Consumption Increase	207
Public Sector Imports	207
Average Oil Production	207



INTER-AMERICAN AFFAIRS

ARGENTINE DAILY CITES URUGUAYAN PAPER ON SOVIET 'EXTORTION'

PY252355 Buenos Aires LA PRENSA in Spanish 23 Feb 80 p 3 PY

[Text] Montevideo, 22 Feb (EFE)--The progovernment Uruguayan newspaper EL PAIS says in an editorial that "the Soviet Union has started to commit extortion against Argentina by means of the Salto Grande Dam."

The paper states that Argentina is not joining the boycott of grain deliveries or the Olympic boycott because "it is tied by the 14 Salto Grande turbines." The dam which the two River Plate countries are building on the Uruguay River will have 14 Soviet-made turbines, of which only three have been installed, and "the delivery of the fourth has been delayed," according to the Uruguayan paper.

EL PAIS points out that "the Soviet Union won the international bidding for the delivery of the turbines with an offer so cheap that it was really amazing."

The commentary, signed by newsman Alex Pereyra Formoso, adds: "We know that Argentine carries most of the cost burden for the dam, because most of its turbines will generate electricity for the Argentines."

The commentary says that "We also know that the next turbine to be installed has been somewhat delayed in Russia, where all the rest are."

The newsman wonders: "Why are there Kaplan turbines at Aswan and Westinghouse turbines at the Colorado Canyon, while ours are Soviet turbines, when the Russians have never shown that they thoroughly understand these matters?"

EL PAIS says that "Perhaps the Americans and the world in general do not understand very well that Argentina is committed to the Salto Grande Dam."

It explains that "If we who are interested in Salto Grande do not go to the Olympic games, at least symbolically, the turbines for the dam will simply arrive late, in poor condition or not at all."

The newspaper then asks: "Who is Argentina to compel the Soviet Union to deliver this vital equipment on time?"

The commentary continues: "Is there any recourse to international organizations in case of a breach of contract? Yes, there is; and they have the

same power as the United Nations when it told Russia to get out of Afghanistan or The Hague Court when it did the same or when it tried to obtain the release of Khomeyni's hostages.

"Neither Argentina nor Uruguay can expect the United States to defend us in the turbine question if we refuse to go to the Olympic games--in the first place because it does not like us particularly, and in the second place we did not buy the turbines from the United States."

It adds: "We are thus defenseless in any of these emergencies until the last Soviet turbine is positively installed.

"The great problem is, of course, with Argentina, but we Uruguayans are also indirectly harmed by it; and if the Soviet Union suddenly takes a lively interest in Argentina in the near future, it has in its hands the enormous pressure it can exert through the remaining Salto Grande turbines to manage its interests comfortably."

CSO: 3010

INTER-AMERICAN AFFAIRS

CASTRO MEETS WITH GRENADA'S BISHOP

FL271208 Havana Domestic Service in Spanish 1145 GMT 27 Feb 80 FL

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Council of States and Ministers, this Monday received the delegation headed by Maurice Bishop, prime minister of Grenada. The working visit paid by the Grenada leader to our country is part of a tour conducted by the prime minister of several Latin American countries.

The delegation also included George Louison, member of the new jewel movement Politburo and minister of education; (Peggy Neffus), an official of the protocol office; (Chris Straus), an aide to the prime minister, and (Lou Smith) of Radio Free Grenada.

During the meeting, which was held in a fraternal atmosphere, the international situation, mainly in the Caribbean and Latin America, was examined. Also taken up by the two sides was the situation of the nonaligned countries movement and the present state of the bilateral relations between Cuba and Grenada. The delegation returned to Grenada yesterday morning.

CSO: 3010



## INTER-AMERICAN AFFAIRS

### HAVANA'S TIES WITH CARIBBEAN GROW STRONGER

PA270356 Havana International Service in Spanish 0000 GMT 27 Feb 80 PA

[Text] On several occasions U.S. President James Carter has said that his country will give economic aid to the Caribbean countries in order to halt Cuban influence in the area. Behind these words there is naturally the great imperialist concern over the strong ties of solidarity maintained by Cuba and the other Caribbean states.

The yankee hysteria in this respect was expressed shortly after the people's victories in Nicaragua and Grenada. The United States created an artificial crisis in the area based on the pretext of the presence in our country of the Soviet military personnel.

Since that time the United States began military maneuvers, created a military command for the Caribbean and based it in Florida and lost no chance to try to destabilize the Jamaican and Grenada governments.

Nevertheless, and in spite of these facts, Cuba's ties with the Caribbean countries become stronger day by day.

At this time Cuban internationalist doctors give assistance to the peoples of Jamaica, Guyana, Grenada and Nicaragua. The hundreds of Cuban doctors in Nicaragua are joined by 1,200 teachers serving in all parts of the country and preparing to participate in the gigantic literacy campaign to be started shortly.

Not long ago the Cuban Government gave Nicaragua 22 fishing vessels so its people could increase their nutrition levels. The Cuban medical brigade working in Grenada does not charge for its services. The respective governments are responsible only for lodgings, food and local transportation. Some of the 200 internationalist constructors who will help to build the airport at the capital, Saint Georges, for which Cuba will donate a considerable amount of cement, are already in Grenada.

Cuba's aid to Jamaica is not noted only by the sending of several medical brigades. Cuba has donated several schools to this country. They have been built by personnel of the two nations.

Besides this material and technical assistance, which has also reached the peoples of Dominica and Saint Lucia, our country has been united with the struggle of the people of the Caribbean against oligarchic oppression and foreign domination.

In all international forums Cuba has fully supported the victorious revolutions of Nicaragua and Grenada, denounced U.S. and OAS military intervention in the Dominican Republic in 1965 and defended Belize's and Puerto Rico's right to independence and self-determination.

It has also supported Panama's just demands to exert full sovereignty over the Panama Canal and the governments of Jamaica and Guyana right to consolidate their political and economic emancipation.

On the regional level Cuba has always been on the side of the other Caribbean peoples in their struggle to protect their natural resources and promote economic integration. This revolutionary policy followed by Cuba has been recognized by the Caribbean states which have always expressed their interests in maintaining these relations and expressed their gratitude. Cuba in turn, will never give up its international solidarity because it is and will continue to be the essence of its foreign policy.

CSO: 3010

## INTER-AMERICAN AFFAIRS

### BRIEFS

**GRENADA ASKS JAMAICAN ASSISTANCE**--The Grenadian Government has requested Jamaica's assistance in the development of its construction industry and it's understood that serious consideration is being given to the request which may involve the sending to Grenada of a number of brigadistas who remain unemployed since being trained in construction techniques in Cuba. Discussion of the proposal [words indistinct] to have taken place yesterday during a brief visit to the island by Grenada's Prime Minister Maurice Bishop. Mr Bishop was on his way home after a three-nation visit to Latin America. The Grenadian Prime Minister said the people of Grenada were busy preparing for the celebration of the first anniversary of the March 13th revolution and that Prime Minister Manley will be special guest during this celebration. [Text] [FL261604 Kingston Domestic Service in English 1530 GMT 26 Feb 80 FL]

**SAINT LUCIAN OFFICIAL VISITS VENEZUELA**--Venezuela and Saint Lucia today signed a joint declaration at the end of Prime Minister Allan Louisy's official visit to Venezuela. Prime Minister Louisy held a news conference with Venezuelan officials. He mentioned the fact that Venezuela has agreed to supply Saint Lucia with enough oil to solve its energy problem. The amount that Venezuela will supply has not been decided yet. He told newsmen that he does not believe that the situation in Suriname will have repercussions in his country. He also told them that one of his country's main problems is unemployment, which is affecting 30 percent of the population, most of them young. He said that he hopes the problem will be solved with the aid that Venezuela has offered. Prime Minister Louisy and his retinue are returning to Saint Lucia tonight. [Text] [PA270357 Caracas Radio Continente Network in Spanish 2100 GMT 26 Feb 80 PA]

**OCLEA MEDICS TO NICARAGUA**--The Permanent Secretariat of the Continental Organization of Latin American Students [OCLAE] this afternoon introduced the medical brigade that will be sent to Nicaragua as part of the program of solidary aid to the fraternal country. The brigade is made up of six physicians representing student organizations in Chile, Uruguay and Cuba. Representatives of Colombia, Bolivia, the Dominican Republic and Guatemala will join them later. [Text] [FL270208 Havana Domestic Television Service in Spanish 0100 GMT 27 Feb 80 FL]



ECUADOREAN VISITORS TO CUBA--Rene Rodriguez Cruz, president of the Cuban Institute of Friendship With the Peoples[ICAP], has received Dr Max Aguirre Borrero, secretary of the Ecuadorean-Cuban Institute in Quito, and his wife Ana Maria (Falias), a member of the Casa de las Americas contest jury. They discussed their respective institutes' role in the strengthening of the ties between the two countries. Also present were Luis M. Morejon, ICAP Latin America and Caribbean department head; Alberto Suarez, an official in that department; and Dr Francisco Pividal, historian. [Text] [FL262352 Havana Domestic Service in Spanish 2230 GMT 26 Feb 80 FL]

NICARAGUANS IN COSTA RICA--Rodolfo Quiroz Cedeno, director of personnel of the immigration office in the Ministry of Public Security, said here that there are still some 7,000 Nicaraguans in the country, out of approximately 217,000 who entered Costa Rica during the civil war. These persons should have returned to their country at the end of the conflict which resulted in the overthrow of Somoza. Many, however, filed applications to remain in the country while others remain in Costa Rica illegally, said Quiroz Cedeno, and added that the government is enacting procedures to expel them from the country. [Text] [PA251550 San Jose Radio Reloj in Spanish 1200 GMT 25 Feb 80 PA]

SELA OFFICIAL'S TOUR--Carlos (Altamora), permanent secretary of the Latin American Economic System [SELA], will begin a tour of South American countries in Lima, Peru, today. Immediately after his arrival tonight in the Peruvian capital, he will meet with that country's officials as well as representatives of the Cartagena accord, the Andean Pact, whose commission will meet next week. The SELA permanent secretary will participate in a meeting which is preparing the paperwork to be submitted to the region's countries for the next Latin American financial conference. [Text] [FL281123 Havana Domestic Service in Spanish 1100 GMT 28 Feb 80 FL]

CSO: 3010

## ARGENTINA

### ARGENTINE DAILY DECRIES U.S. POLICY TOWARD CENTRAL AMERICA

PY271920 Buenos Aires LA PRENSA in Spanish 26 Feb 80 p 4 PY

[Editorial: "The U.S. Policy Toward Central America"]

[Excerpts] Observers of continental affairs agree that the situation in Guatemala and El Salvador is going through a "very critical" period, and that things are "about to explode" in the latter country. The signs have become starkly apparent and leave no room for doubt in view of the occupation of foreign embassies, public buildings, churches and police stations, criminal attacks and bloody clashes between government troops and extremists--especially because it has been repeatedly proven that government troops are unable to control the leftist forces, which have become veritable armies. Nicaragua's gradual but steady leaning toward the "Cuban model" and Havana's boasts about its role as "liberator of the peoples of America" are elements which further worsen the overall picture, giving rise to serious premonitions.

Although fully aware of the seriousness of the events and of the grim prospects, the United States has not yet managed to design a policy of tolerance and respect which could provide channels of communication for the tendencies in conflict. The corrective methods of the State Department have been so far the providing of economic aid and the establishing of contacts with moderate opposition groups. All this failed in Nicaragua, although certain U.S. officials continue to believe that something may still be salvaged because--according to a recent statement by the deputy secretary for Latin American affairs--the Managua regime has deliberately plotted "a course independent" from Havana and Moscow, whose "fervent overtures" it has been scoring, as evidenced by the fact that Nicaragua's representative to the United Nations abstained from voting when the General Assembly condemned the Soviet invasion of Afghanistan.

These remarks, made at a "strictly private" meeting held in Washington and yet to be denied, reveal a dangerous degree of naivete, which is hardly the best asset when one has to deal with the explosive situation in Central America. Should this be the attitude of the State Department toward this emergency, we must point out the dangers of switching from the unacceptable "big stick policy" implemented up to the end of the twenties to this sort of passiveness and fatalism in the face of events. The situation must be analyzed in a different manner, and different measures must be implemented.

Together with the socioeconomic approach that the State Department normally uses in Central America, essential practical measures must be implemented in view of the Bolschevik infiltration and the "permanent revolution" which disrupts every activity and especially production.

Undoubtedly, the situation in Central America does not allow simple or easy solutions. This situation is complex because of the variety of its components, and its alarming prospects stem from the fact that the problems which these countries are facing are not domestic but are rather the effects of a generalized phenomenon which is not being properly dealt with by the U.S. political strategy for the region.

CSO: 3010

ICFTU LEADERS FIND LABOR SITUATION DISTURBING

PY231407 Paris AFP in Spanish 0302 GMT 23 Feb 80 PY

[Text] Buenos Aires, 22 Feb (AFP)—The International Confederation of Free Trade Unions (ICFTU) may order an international union boycott of Argentina, Chile and Uruguay if the labor movements of these countries request it.

Two ICFTU leaders who are visiting Argentina to study what they have described as the "disturbing" situation of unions in this country made this announcement today at a press conference. Union leaders Enzo Friso and Juan Jose del Pino said the labor situation in Argentina "is even more serious than that in Chile." They warned that "the International Labor Organization (ILO) will condemn the Argentine Government under the provisions of the recently approved union law."

Friso declared, moreover, that the head of the ICFTU, the German Otto Kersen, is very likely to visit Argentina within 2 months to continue the dialog with Argentine military authorities begun during his visit to Argentina 2 year ago. Friso added: "At that time President Jorge Videla assured Kersen that the Argentine Government would consult the ICFTU before approving the union law." He noted: "But since then we have had only two meetings in Geneva with Argentine Labor Minister Tomas Liendo. After that it seems there was not only a change of the man, but also a change of policy."

Friso and del Pino are making a factfinding tour of Latin America assigned them by the ICFTU secretariat with headquarters in Brussels.

Del Pino noted that he had received a report on the union situation in Argentina, particularly on the new labor law drafted by the united leadership of Argentine workers (CUTA). He said: "The law is a threat to the existence of the labor movement since it goes against all ILO agreements. It is almost certain that as a result of a complaint submitted in Geneva, the organization will condemn the Argentine Government during its next annual assembly to be held in June in Geneva."



Del Pino noted that the labor and social measures that have been adopted in Argentina are a sort of experiment, and that if they succeed in destroying the labor movement in Argentina they may be enforced in other Latin American countries. He added: "This is why the defense of the rights of workers in Argentina is a task that must be undertaken by all labor movements throughout the world."

Concerning the specific measures the IFCTU may enforce, del Pino said that "the IFCTU may order an international union boycott of Argentina, Chile and Uruguay if the labor leaders of these countries request it to repudiate the labor policies in force in these countries."

The IFCTU representatives announced, moreover, that representatives from Argentina, Chile and Uruguay will be invited to attend the meeting of the IFCTU Human Rights and Union Freedom Commission to be held in Mexico in April.

CSO: 3010

## BRIEFS

**SUBVERSIVES SENTENCED**--Cordoba, 27 Feb (TELAM)--Federal Judge Adolfo Zamboni Ledesma has sentenced Argentine Engineer Luis Ferreyra, 29 to 13 years in prison for qualified illegal association and possession of explosives and Bolivian student Jose Eduardo Ramon Echenique del Castillo, 28, to 2 years and 6 months in prison and expulsion from the country for possession of subversive literature. [Buenos Aires TELAM in Spanish 1450 GMT 27 Feb 80 PY]

**VISITING AFRICAN MINISTER**--Laurent Dona Fologo, Ivory Coast youth, sports and popular education minister, arrived in Argentina yesterday. Minister Dona Fologo will visit the city of Mar del Plata to learn about the Argentine cultural and sports structure and will also visit President Videla. He will leave the country on Friday. [Buenos Aires Domestic Service in Spanish 1030 GMT 25 Feb 80 PY]

**DEPARTURE OF AUSTRALIAN AMBASSADOR**--Harold William Bullock, Australian Ambassador to Argentina, was received in audience by President Jorge Rafael Videla today. The ambassador said goodbye to the president, since he is about to leave Argentina at the end of his term of mission. [Buenos Aires Domestic Service in Spanish 2000 GMT 25 Feb 80 PY]

**NEW AMBASSADOR TO CANADA**--Buenos Aires, 27 Feb (TELAM)--President Jorge Rafael Videla today received Esteban A. Takacs, Argentine Ambassador to Canada, who came to say goodbye, since he will soon go to Canada to take up his post. [PY272244 Buenos Aires TELAM in Spanish 1515 GMT 27 Feb 80 PY]

**IRAQI, JORDANIAN AMBASSADORS**--The Argentine Government has approved the appointment of (Admed Zaidan) as the new Iraqi Ambassador to Argentina, and of (Fayad al-Masri) as the new Jordanian Ambassador to Argentina. [Buenos Aires TELAM in Spanish 0125 GMT 23 Feb 80 PY]

**AGREEMENT WITH PHILIPPINES**--Manila--Official Philippine sources reported here today that Argentina and the Philippines have agreed in principle to sign a trade and maritime transportation agreement to promote trade and development. A five-member Argentine delegation and Philippine authorities have decided to create an official joint committee to prepare the agreement. [Buenos Aires TELAM in Spanish 1245 GMT 23 Feb 80 PY]

**NEW NETHERLANDS AMBASSADOR**--Eduard Olaf Van Suchtelen, the new ambassador of the Netherlands to Argentina, presented his credentials to President Jorge Rafael Videla today. [PY262106 Buenos Aires TELAM in Spanish 2045 GMT 26 Feb 80 PY]

## BARBADOS

### BRIEFS

NO OPEC THIRD WORLD AID—The minister of trade in Barbados, Bernard St John, says that the Organization of Petroleum Exporting Countries is not fully supporting the economic development of the Third World. Minister St John said that despite their statement of concern for economic improvement in developing countries, the OPEC-member states have made no effort to offer aid in a meaningful way. According to Mr St John, Barbados, like other developing countries, was forced to seek out all areas of finance because of high interest rates in the Eurodollar market and OPEC's price hikes which are depleting reserves. [Text] [FL272043 Kingston Domestic Service in English 2030 GMT 27 Feb 80 FL]

CSO: 3020

## BOLIVIA

### DIPLOMATIC CIRCLES FEAR U.S. SUPPORT FOR COUP D'ETAT

PY281642 Paris AFP in Spanish 0301 GMT 28 Feb 80 PY

[Article by Eduardo Perez Iribarne]

[Text] La Paz, 27 Feb (AFP)--It was reported here today that the fear of a new coup d'etat was spreading today through broad sectors of the nation, encouraged by rumors that the coupists seemed to have the support of the U.S. Government. The U.S. Embassy in Bolivia is currently in the hands of a charge d'affaires awaiting the arrival of the new ambassador after diplomat Paul Boeker was transferred from his post as ambassador in La Paz to an important job within the management of the U.S. School of Diplomacy [Universidad Diplomatica].

Unofficial reports on contacts among representatives of Bolivian coupists and U.S. officials could not be confirmed at any level, but all Bolivian news media have stressed the significance of Bolivian-U.S. relations. Independent observers have emphasized that one of the main international obstacles for the implementation of a much-discussed Bolivian coup d'etat is the possible U.S. rejection of any disruption of democratic behavior in Bolivia.

The coup d'etat led by Col Alberto Natusch Busch on 1 November last year failed, among other things, because of its international isolation for which U.S. diplomacy was much to blame, according to Colonel Natusch's former foreign minister, lawyer Guillermo Bedregal.

AFP has been told that the possibility that the United States might change its attitude in this regard and provide some discreet support to a Bolivian coup d'etat is worrying local diplomatic circles. In any case, the U.S. Embassy recently reaffirmed the strong support of the White House for the Bolivian democratic process.

Rumors and speculation are circulating in La Paz concerning Argentina's and Brazil's attitude toward the subversive plans of certain Bolivian civilian and military sectors, but no information could be obtained in this regard from official or diplomatic sources.



President Lidia Gueiler met today with the armed forces high command to "evaluate the overall situation in the country," according to information issued by Government House. However, no further information was available about this meeting, which took place in the midst of ever-increasing pressure on the Bolivian Government.

In any case President Gueiler has expressed optimism about the future of the country even though she has so far been unable to appoint the members of the electoral court that will be in charge of the general elections scheduled for 29 June this year. Certain political groups have unofficially stated their desire to request a delay of the general elections. At the same time other sectors suggest that the government should be placed in the hands of a temporary military junta "which would reorganize the country and call elections for a constituent assembly that would, in turn, redesign the country's constitution."

In any case an atmosphere of total confusion seems to be encompassing all political, economic and labor circles because Bolivia is facing a severe economic crisis, is bogged down in a political quagmire, and has to deal with a lack of government decisions for national contingencies. The Bolivian Government seems to be under fire from several groups which are seeking to "create a power vacuum" to "implement revolutionary changes in the country," according to spokesmen of the radical left.

CSO: 3010

BOLIVIA

INTERIOR MINISTER COMMENTS ON ELECTIONS, TERRORISM

PY271441 La Paz Radio Panamericana Network in Spanish 1130 GMT 27 Feb 80 PY

[Text] Bolivian Interim President Lidia Gueiler Tejada will turn the government over to congress on 6 August whether the election is held or not, Interior Minister Jorge Selum Vaca Diez has stated. He added that the only way the election could be held on 29 June is by amending the electoral law to reduce the deadline for completing preelectoral requirements from 120 to 100 days before election day.

[Begin Selum recording] It can be done if the electoral law is amended to reduce the deadline for appointing the members of the electoral court to 100 days before election day. This would help us overcome the situation. [end recording]

Minister Selum stated that the executive branch cannot be held responsible for the delay of the electoral process since it has complied with every requirement. While the legislative branch has failed to do its part.

[Begin Selum recording] Concerning the statement that there is little time, I would say that we cannot be held responsible for that. [passage indistinct] because the president is determined to turn the government over to congress whether the election is held or not. [end recording]

He stated once again that plotters have never ceased their activities and that terrorist attacks are part of a plan designed to spread to other departments.

[Begin Selum recording] [passage indistinct] Terrorist attacks are part of a plot designed to create conditions conducive to future terrorist actions, to make the people believe there is a political vacuum and, as I have time and again said, to stipulate distrust in the government. I said earlier that there was a vast terrorist plan encompassing the entire nation. Facts are proving that I was right. First there was an attack in La Paz, today in Santa Cruz and there may be another in Oruro tomorrow. [end recording]

CSO: 3010

BOLIVIA

MINES, METALLURGY MINISTER SCORES GSA TIN SALES

PY281511 La Paz Radio Cruz del Sur Network in Spanish 1130 GMT 28 Feb 80 PY

[Text] The sale of 30,000 tons of U.S. noncommercial tin reserves, which was rejected outright by Bolivia at the 16th Congress of the International Council [CIE] in London, will ultimately be implemented and will, therefore, have an economic impact on our country.

Speaking at a press conference, Mines and Metallurgy Minister Oscar Bonifaz has voiced his concern--shared by all Bolivians--that the GSA's annual sales will be on the order of 10,000 tons, which would seriously damage and have a strong impact on the international market. Bonifaz said that the Bolivian delegates were told not to attend the so-called "working party"[in English] meeting--that is, the working group made up of representatives of both producers and consumers aimed at studying the sales plan. The Bolivian position is unshakeable--no to the sale of the GSA buffer stock.

[Begin Bonifaz recording] The U.S. decision to proceed with the sale is a very hasty one because if there is a tin surplus, the sales should not start until a prior calm and thorough study of its consequences has been completed. [end recording]

These sales will have extremely damaging consequences for both Bolivia's leading mining industry and for its pauper economy. Bonifaz noted that when the United States was not yet a CIE member, but just a consumer, it could sell its tin reserves at will, but now that it is a CIE member it is bound by CIE rules and decisions. Yet the United States has not even consulted the CIE.

[Begin Bonifaz recording] They [not identified] have clearly stated that they are extremely surprised over the fact that when the United States was not a CIE member and could sell its tin at will it used to conduct consultations and negotiations, while now, as CIE member, it merely presented a sales plan first and only yesterday and the day before decided to start negotiations. The tin producers, as I said earlier, have already made the necessary considerations up to a certain extent. They have also stated that if these sales materialize, aspects of quantity, time and methods should be discussed. [end recording]

The sales plan submitted by the United States to the CIE provides for implementation as of April. Still, everything depends on the decisions to be made at the working group meeting scheduled from 11 to 14 March.

## BOLIVIA

### BRIEFS

**LEFTIST PARTIES SET BASES**--La Paz, 28 Feb (TELAM-EFE)--Bolivian Leftist political parties have set the minimum bases [bases minimas] for forming a single Leftist front and for participating, with possibilities of success, in the forthcoming 29 June elections. The initiative to form a front was sponsored by the Socialist Party 1 (PS-1) headed by Marcelo Quiroga Santa Cruz, who emerged as the fourth-running political force in the 1979 elections. Initial PS-1 contacts, considered promising, were made with the Revolutionary Party of the National Left (PRIN) headed by Juan Lechin, the Democratic and Popular Union (UDP) headed by former President Hernan Siles Zuazo, and the Tupac Katari Revolutionary Movement (MRTK) supported by peasants. [Excerpt] [PY281700 Buenos Aires TELAM in Spanish 1140 GMT 28 Feb 80 PY]

**GDR CREDIT AGREEMENT**--The \$10-million credit granted to Bolivia by the GDR will be invested in purchasing, equipping and building hospitals in rural areas. This was reported to the various news media by Social Welfare and Public Health Minister Aida Claros de Baya after she signed the credit agreement with GDR representatives headed by Foreign Trade Vice Minister (Eduard Schurcher). [Begin Claros recording] It is a very soft credit, because they grant us 10 years of grace plus a 20-year term of payment at a 2-percent rate of interest. It is a very soft credit they offer us. [end recording] Minister Claros then stated that the credit which benefits the Public Health Ministry comes directly from the GDR Government. She said: [begin recording] [passage indistinct] In Berlin they have founded an institution called (Intermex). This institution is in charge of channeling aid to Bolivia in the fields of health and education. [end recording] [Text] [PY270208 La Paz Radio Panamericana Network in Spanish 0000 GMT 27 Feb 80 PY]

CSO: 3010



**GUZMAN, ORREGO PRESENT DIFFERING VIEWS ON NATION'S FUTURE**

Santiago HOY in Spanish 16 Jan 80 pp 31-37

[Article presenting a summary of a REALIDAD article by Prof Jaime Guzman Errazuriz and a reply by Claudio Orrego Vicuna, sociologist and former deputy]

[Text] In spite of its being summer, a time when all political activity is generally suspended, the beginning of 1980 will be marked by intense debate over what have come to be called "the political paths."

HOY, in issue No 128, has already reported on the depths of the arguments within officialdom concerning the future. An example of this clash of opinions was a recent article by lawyer and university professor Jaime Guzman Errazuriz, a member of the editorial committee for the constitutional draft. In it, he outlines the thesis of the so-called "aperturista." Some of the representatives of the "hardliners," among them lawyers Pablo Rodriguez Grex and Ricardo Claro Valdes, have already answered him publicly, but the opposition also wishes to be heard in this matter.

For HOY, this debate acquires real importance. For this reason, it wanted to present this document with the most complete summary possible of Jaime Guzman's article and an extensive reply by sociologist Claudio Orrego Vicuna, a former deputy and a prolific writer and essayist.

**1. Jaime Guzman's Position**

In his article "The Political Path," published in the magazine REALIDAD, Jaime Guzman begins by pointing out that "if democracy is a form of government, it cannot be an end in itself, because no form of government can ever be that," and adding that "democracy is only truly legitimate insofar as it serves freedom, security, progress and justice, so that it loses all validity if, due to an erroneous design or practical application, it ends up favoring the inverse antivalues of totalitarianism, statism, terrorism, subversion and demagoguery, as we had a dramatic opportunity to discover in the years preceding 1973."

After stating that this prevents idealizing democracy as an end in itself, however, he emphasizes that it is the form of government to which Chile normally should aspire, by reason of our tradition and idiosyncracies, concluding in this respect that our country "will only achieve the goals the present regime has proposed for itself insofar as it advances, in a gradual but resolute way, toward democracy."

#### Essential Assumptions

After stating that neither totalitarian Marxism nor the "ultra" antidemocratic governing groups (whether they support the military state or fascism, which he considers inseparable from corporativism) "have the capacity for nor a sincere interest" in arguing the subject, Guzman discusses at length what he considers the "essential assumptions for a stable democracy."

"The first of these," he says, "is a minimum or basic consensus of the national community regarding the essential values of its social organization. So that without the right to make a distinction, there is no democracy, nor is there freedom, since that minimum consensus, on the other hand, causes the unity on which all coexistence is founded to disappear and then the differences lead to civil war, and democracy becomes anarchy." He adds that this "forces one to exclude totalitarian or violent doctrines from civic life," because they are contrary to the national identity, although he points out that such exclusion is "legitimate and useful," but "not sufficient," since "any norm which excludes a doctrine would be, in the end, inefficacious, should a substantial portion of the citizenry maintain or add their adherence to said doctrine," their only objective, in the end, being that "society defend the aforementioned minimum consensus from the attacks of a small minority." From this arises the necessity for said consensus to have the "spontaneous adherence" of an overwhelming majority.

For Guzman, the second requisite for a stable democracy is "effective citizen compromise with the political system which is in power," which "only those who receive some substantial benefit from its existence" can experience with democracy, since "democracy means nothing to those to whom it only offers poverty, backwardness and ignorance." "For this reason," he adds, "a sufficiently high level of economic, social and cultural development to encourage such a compromise is one of the essential factors in a serious and stable democracy."

Jaime Guzman maintains that Chilean democracy was only stable when those who benefited from the system voted or controlled the voting. But the growing incorporation into the electoral body, later on, of "great masses which felt no ties to a regime which they saw as alien and unjust," generated an instability in our democracy which became evident when the Marxist candidate received nearly one-third of the votes in 1958. "From that moment on," he says, "Chilean democracy became unstable. The rest was only a question of time. The accession to power of Marxism occurred in 1970, just as it could have happened in 1958, 1964 or 1976; but the outcome was inevitable."

In support of his thesis, Guzman expresses the opinion that "the serious and stable democracies in the world are very few," and they are in countries "with a solid level of economic, social and cultural development." To this he adds that since we must discard or reject a return to restricted suffrage or to the corruption of former years, "all that remains is the need to advance to the achievement of that general level of cultural and material development which might allow Chile once again to have a serious and stable democracy, but now a democracy of the masses and not of the elite, as ours was until the first decades of this century." And he adds: "To achieve that goal is a necessary condition for implanting a democratic form of government in our fatherland again."

#### Reduction of State Power

The third condition for democratic stability is, in his opinion, "the reduction of state power to its proper dimensions, in conformity with the principle of subsidiarity, thus guaranteeing a broad range of personal freedom." After stating that this will restore to the Chilean citizen his decision "in those matters most pertinent to his personal and family destiny," which he places in the economic and social sphere, he indicates that "in addition, it is necessary that the exercise of those freedoms for a sufficiently long period become the Chileans' daily portion, so that the experience of its results finds in each citizen its most ardent defender," since freedom is only appreciated by someone who has enjoyed it, and the present generation of Chileans has not really known it in the economic or social spheres, but only in the political.

Guzman concludes from the foregoing that "a democracy can only be stable when in popular elections one chooses among several political positions or tendencies of government, but in which the essential way of life of a people is not in jeopardy," indicating that that is one mark of the great democracies of the world, contrary to what has happened in Chile the last few decades.

From that perspective, and admitting how important it is that the present government be concerned with "the timely encouragement of a civic movement capable of giving continuity to its work after it is dissolved," he believes that in the future "the essential thing is not who governs, but rather how much power the state's leader has," so that "shaping conditions so that the power of the state is not excessive is the key to a free society and a stable democracy, as well as the basis of the task of the present regime."

Guzman emphasizes the difference of this political focus from the one which, in his opinion, prevailed among the traditional political parties, tending to "snatch the banner from the adversaries, which was done at the cost of making them very angry, when they did not even want to take over power." And he adds, "In other words, instead of governing to do, more or less, what the adversaries want, it is preferable to contribute to creating a situation which demands from anyone who governs a submission to the demands of that situation," and where the viable political alternatives may not, essentially, be substantially opposed.

## Chacarillas Plan

The need to construct those bases for a stable democracy are endorsed, for Guzman, by the validity of the Chacarillas Plan, which considers full democratic government a viable goal for the second half of this decade, a reasonable period, he believes, in which to create the conditions which will permit Chile "for the first time in its history, to have a stable democracy of the masses," which the country has never known, because in his opinion, "Our political stability was real only for a democracy of the elite."

Taking note of the objection that "a democracy is implanted through nondemocratic methods," Guzman replies that "it is true that several milestones of the new institutionality have not had express popular ratification, but apart from the fact that they contain in themselves examples of greater social participation, it would be absurd to pretend that if a democracy has failed because it lacked the indispensable requisites for its stability, those requisites can be realized through the exercise of democracy."

Describing the present administration as "predemocratic," he legitimizes the course it has taken, based on the fact that "because of its liberatarian content, the new institutionality is essentially reversible, contrary to totalitarian regimes, whose distinguishing mark is always the aspiration to irreversibility, supported by oppression." He adds that although he believes the tendencies which try to alter the bases of the system will not prosper, this "will not arise from imposed coercion, but from a free conviction, the possibility, therefore, always remaining open that the new institutionality will be amended, if in the end it does not represent the majority of the Chilean people."

## Time Limits

Finally, and getting into the present political options for the government, Guzman believes that "the government cannot avoid the imminent fixing of time limits for its various phases," and that "the lack of any definite term for a government brings constant anxiety about its duration or its end, which at this stage of the Chilean process prejudices its stability, especially in times of crisis." He says he supports "strengthening the legitimacy of these time limits with popular approval," in a joint plebiscite on the new constitution and the transition. He believes this formula is more adequate than that of postponing the constitutional plebiscite until the transition is completed, to facilitate the financing of the new political institutions with their initial application during this regime, as well as to avoid "the eventual loss of credibility" which the delay of a new constitutional draft, which has already been completed and published by the government, might mean for the administration.



In this regard, he closed by pointing out that "the greatest historical challenge for President Pinochet consists not only in limiting himself to establishing the bases for a stable democracy for Chile, a task which is in the process of being realized, but also in assuming leadership of the country, realistically and in a timely way, toward full functioning of the new democracy."

## 2. Reflections by Claudio Orrego

Jaime Guzman has just published a long article about the political path. It is interesting not only because of its author, but because, having been written for an argument within officialdom, it unveils for the first time the often denied split between the "hardliners" and the "decontrollers" within the authoritarian regime.

Perhaps the most important thing is that it concerns the first clear and sharp defense of democracy which has been heard from officialdom. It is no longer a question of making new experiments and neologisms. Democracy is indispensable by reason of "our tradition and idiosyncrasy." It is recognized implicitly, therefore, that the republican past was not a putrescence, as has been charged. Nor is democracy bad in itself, as has been maintained in the Council of State.

This represents a positive step, particularly when the alternative would appear to be the imposition of fascism. Between the two options, no one can mistake where the sympathies of the democrats lie. But the dilemma between "decontrol" and fascism, if indeed it is better than total silence and the indefinite reign of absolute power, is not, seriously, a true dilemma as stated by Guzman.

It is true, as the writer states, that governments cannot live forever with emergency legislation. It is true that the personal exercise of power leads to failure, as Francoism demonstrated. It is true that governments need fixed and clear time limits and phases. It is true that it is very serious that the Chilean government has been the only military regime in Latin America which has not been able to solve the transfer of power and the relationship between political power and military command. But the truth of all that does not allow one to conclude that we Chileans will not be in a position to practice democracy until the mid-1980's.

On introducing this main theme of its thesis, the Guzman article reveals the political tactician rather than the analyst. Harrassed by those who do not want to give up an iota of power, he seeks a way to promote this relinquishment, but in a time span sufficiently long so that nobody feels he has been pushed.

However, he does not draw the basic conclusion of his premise. A rapid process of political exhaustion of the regime is forcing it to find a quick exit. This is perceived by the rightist sectors, traditionally those with

more political sensibility. It is also probable that it is perceived by the economic right, which is absolutely dependent on the Western democratic world for its bank financing. Certainly it is understandable that the fascists do not accept this because of their doctrine and that it is not perceived by the political novices who surround the armed forces.

Why is all this happening? Because for 6 years the ideologists have been preoccupied with consolidating Gen Pinochet's personal power instead of the regime itself. And now the argument which is taking place shows that the problem continues to be the same, with different emphasis on time limits. It is that central point--which became explicitly clear with Gen Leigh's dismissal--that is creating all the government's political difficulties. For that reason, this country has had to be an exception within the context of the institutional military regimes of Latin America. And for that reason it is the only one which has committed the capital sin of politics: tying a government to a man in such a way that its real institutionalization is made impossible.

The key question, then, is, whether the permanence of this government and the excessive prolongation of this regime favors or makes more difficult the construction of a stable democracy in the future. And that question cannot be answered with slogans.

#### The Only Truth

Official reasoning is based on a dogma of faith. Since the country received the military coup with overwhelming support--it is argued--the military must remain in power until it completes its task. But it happens that that is a theory which was constructed after the fact. The only truth is Edict No 5, which legitimizes the statement in the light of its authors. And that speaks of reestablishing the power of the constitution and the law and of respecting the gains made by the workers. All the rest began to arise only after 1974, just when the so-called "Chicago Boys" acquired their phenomenal political power.

In Chile there has been a true revolution. By coercion, just like all revolutions. Or, in this case, rather, a capitalist and elite counter-revolution. What is the source, then, of the legitimacy of this social and economic order imposed by force? Who asked for this in 1973?

To begin with, the legitimacy of 11 September 1973--for those who agree with it--does not allow one to jump to the conclusion that the capitalist counter-revolution is also legitimate. Technically, it is not even possible at this time to maintain that the regime is legally of the armed forces, even though they maintain it by the force of the nation's arms and are judged by their results. What is the real power of the armed forces as institutions in the political course of the country? Does this capitalist counterrevolution really interpret them?

To plan the future of the country correctly, it is necessary to distinguish between the concrete policies which have been applied—some successful and others disastrous—and the implantation of an ideological model as a sort of organization of social life. In the first there is much to respect and use in the future and, also, much to do over. But, in regard to the second, why are millions of Chileans going to accept a liberal, individualistic society, based on profit as a dogma of faith, especially when it has been imposed on us by force and has served to draw a scandalous picture of extreme wealth versus extreme poverty? On what can we base the legitimacy of a social order which has been constructed without any consensus and against the will of practically all the organized forces of the Chilean people?

Then comes the key question: What legitimacy can be invoked to keep the Chilean people in subjection for several more years, permitting the consolidation of this capitalist and elite counterrevolution? The answer is: none.

Guzman and Corvalan

Jaime Guzman cannot get to the heart of the matter. As a professor of law, his conscience would not permit him to maintain that the better road to democracy is dictatorship, nor that a consensus is reaching through coercion. So he suggests development as a prerequisite for democracy. A development whose objectives and means are defined by those who are hanging on to power and who determine the policies.

What is the threshold of development calculated for democratic stability? What experiences are there in the world? Who guarantees Chileans that, when the date comes, other technicians, also supported by force, will not determine that that threshold must be postponed? Has it not been this way with the Russians, who with every 5-year plan are told of the coming of communism and the end of the state, and who have already had 60 years of dictatorship?

Let us say that at least the argument is arbitrary and lacks an empirical basis and historical support. But, in addition, it is theoretically erroneous. To maintain that without economic freedom there can be no political freedom and that the first is a condition for the second, is to maintain the principal thesis of historical materialism: there is no greater truth than that expressed in the economic infrastructure and in production relations. Paradoxically, history shows that political freedom has enormous autonomy in relation to economic freedom, even though, obviously, no social phenomenon can be totally independent of its interrelationships with its environment. But certainly there is no mechanical cause and effect relationship between the two. What level of development did the United States have in 1776? And France, in its revolution? And England at the beginning of the industrial revolution or for the approval of the Charter of the Rights of Man?

Surprisingly enough, Jaime Guzman--in spite of being politically opposed--supports a thesis very similar to that held by Luis Corvalan in a recent public document. The communist leader maintains that freedom is indivisible: either everyone is free or nobody is free; or, we are all free in everything, or freedom does not exist. From this, one may conclude that the "socialist revolution," in taking over the means of production, is the only thing capable of making freedom for everybody possible. The rest is wishful thinking, because in practice it is nothing more than freedom for a few masters of capital at the expense of the domination of millions of wage earners. Jaime Guzman, by maintaining that economic freedom is inseparable from political freedom, is implicitly supporting the same thesis: There is no real and possible democracy as long as shortages have not been overcome and until the masses of the people enjoy a good living standard and broad economic freedom.

Since the thesis is so clear, the rest of the dispute between the two is instrumental: Must political freedom be sacrificed for the sake of capitalism or socialism? Of private property or collectivism? How many generations must renounce their right to freedom while the objective conditions which make it possible are being constructed?

From a historical point of view, it is true that there appears to be a correlation between economic development and political stability. But modern political scientists are inclined to believe that development was possible because of democracy, and not the reverse. Citizen participation, freedom of thought, expression and conscience, the periodic change of those who govern, have been contributing and motivating factors in development. And the greater the incidence of thought and human intelligence in development, the greater is democracy's contribution.

Historically, it must also be pointed out that in all nations the absolute principle of economic freedom and freedom of the market as the assignor of resources has been subject to restrictions to create the conditions of justice and equality compatible with democracy. From Manchesterian liberalism the entire Western world passed to the social state, thus consolidating its political systems and the efficiency of its productive processes. And that truth was so profound that today we see the paradox of the most liberal economic regimes being found not in the democratic nations, but in those which are under dictatorships. Certainly Chile and South Korea are more liberal than England and the Federal German Republic. And certainly Iran under the Shah and Nicaragua under Somoza were more liberal than France and Holland. And the Ivory Coast and Indonesia are more so than Belgium and Sweden.

Can it be held, in the light of the historical evidence, that economic liberalism leads to political democracy? Or that "economic" freedoms are the best antidote against revolution and statism? Does this reduction of life to an economic dimension even have any moral sense?



## Bases for the Consensus

Having cleared up the problem, then, that it does not make any sense, either empirically or theoretically, to maintain that democracy must be achieved by waiting for an adequate stage of development, we can go on to the second basic problem: Does the present model, whose consolidation is expected to be achieved at any price, contribute to creating a consensus in Chile or to further polarizing the Chilean people?

The first thing that must be said concerns the process. Consensus, a basic element of stable democracy, is an agreement, and therefore it cannot be imposed. Were consensual methods sought to discuss and draw up the constitution? Has some effort been made to permit the free expression of everyone's ideas? Is the process of transition thought of as the result of an agreement or as a new imposition?

The second is that a political regime is actually only an instrument. Nobody can deny this without falling into serious idolatry. But democracy is a very special type of political regime, because it is not in the service of any philosophy or ideology, but in the service of man and of all men; consequently, it is the best-known embodiment of the Universal Declaration of Human Rights. And these are an end, not a means. In addition, because it is a way of life based on virtues and potentialities which are very much rooted in the nature of man. Finally, because it is a procedure which regulates the solution of conflicts and the designation of rulers through the clean and clear expression of the majorities. Therefore it demands equality of opportunity for all citizens.

From this single description of democracy, one can see that political consensus is not a problem of voluntarism. It is not created by decree, nor by plebiscites. It is created by respecting the essence of democracy in its various facets. Nor is it constructed on negative feelings: anticommunism, for example, is not enough to create a consensus.

For this reason, procedures and precedents are fundamental in the democracies. They have history, because they have moral consciousness. They are not constructed on indolence, in which everyone receives the same, or the cynicism of one who thinks that all things are equal. It demands certain attitudes, and this implies expressing agreement or rejection. To reward or to punish. For this reason, the consensus does not arise from cloakroom intrigues or from astute negotiations: for these to be successful they must respond, in some substantial way, to the consciousness and the experience of the society.

This peculiarity of the democracies may explain the difficulty that authoritarian regimes have in generating a consensus with regard to themselves--because they ignore the masses. Accustomed to commanding without any counterbalances, they lose the habit of listening to others. Only the "exorcised" elite have any influence, and that they use for the world which is important to them: their own.

It is important to realize how deep this phenomenon is. Because it is not enough to desire consensus. It must be built. And this demands patience, humility and a sense of tolerance and dialog. Consensus is never constructed by stamping one's foot or by hating one's adversaries.

But it is also important to realize the extreme polarization which has been generated by the capitalist counterrevolution. On all levels of national activity. In politics, with the recess, the tone of contempt and arbitrariness. In the social sphere, to serve the rich and not the middle class or the poor. In the cultural area, by the use of the communications media for propaganda purposes, by sectarianism, by intervention in the universities and by limitations on freedom of expression. In the spiritual, by the high cost of repression and the lurid facts of which the country has become aware. In the international field, by its tragic isolation from the community of nations. In the economic, because of the impressive increase in the wealth of economic groups, the serious unemployment, the lack of respect for the worker and the destruction of agrarian reform.

The politicians of officialdom do not appear to consider all that. Perhaps because, honestly, they are not aware of it, and there is no force in public opinion to make them listen.

#### Time Is Getting Short

These are the reasons why many of us democrats have come to the conclusion that time is getting short. That to give the transition process excessive time limits will not resolve any problems and indeed tends to aggravate them. The consolidation of a capitalist counterrevolution—which is trying to set Chile's social development back 50 years—is not a factor in democratic consolidation. Because, finally, democracy is the sum of liberty and justice which tends to the greatest possible proportion of equality, given the natural human differences. Because it implies distribution and not concentration of the economic power, so that the majority may have security and well-being. Consequently—and even though it must be repeated a thousand times—one cannot compare respect for economic freedom with economic libertinism; one cannot speak of the principle of assistance for businessmen without also respecting it in the other spheres of social activity; one cannot defend property without referring to the "social mortgage" which hangs over it. In other words, one cannot pretend to raise the ideal of the "laissez faire, laissez passer" economy of the last century in a century of the masses where social Christianity and socialism are vigorous ideas which have social support.

At the bottom of the argument is a diagnostic difference about the country and its inhabitants. Also a different vision of the social phenomena. In some way, officialdom expresses the conviction in a supporting dogma—the coup d'etat—from which a deductive reasoning results. On the other hand, for the opposition—maintaining its fidelity to values and principles—the logical norm continues to be to start with reality to find an exit.

There is also a difference in the perception of reality: While the point of reference of officialdom appears to be the 50 economic groups and the high military ranks, the opposition looks toward the vast world of the guilds, the unions, the parties, the churches, the students. And the replies are different in every case. And the counsels are different, and the opposing aspirations. And, in this framework, the phenomenon of time limits is not immaterial.

Nor is that of methods. It is not enough to talk about a plebiscite. It is essential to reestablish the legitimate democratic procedures which the country once knew. It is not possible to turn back to a time before the gains made with the Pact of Democratic Guarantees. A plebiscite like that held on 4 January 1978 cannot have any pretensions of seriousness, either for the time frame in which it was called, or for the manner in which the question was asked; or for the electoral mechanism, or for the access of the parties to the mass communications media. Or for the system of scrutinies. Or for the system of calculations.

In this matter, let nobody be fooled about minor electoral cheating. We Chinese know how to vote, we know how to count votes and we know how to distinguish between a fraudulent election and an honest one.

That is why it is noteworthy that someone would still claim that episode as the source of the regime's legitimacy and as a precedent on consulting the citizenry. This does not yet happen in any serious circles in Chile. A former member of the Military Junta has told stories of those who boast of their frauds. And there are three statistical studies which prove an unjustifiable total of between 1 and 1.5 million votes in the official results.

### Crucial Tests

The democratic opposition achieved in time the opening of the electoral registration. They abused it, saying that universal suffrage was not the universal panacea. But they forgot that they were only asking for the minimum, and not the maximum. It is evident that electoral registration does not solve the country's problems. But it is also clear that it has a bearing on the moral credibility of any contest or election.

The plebiscite either is clean, in accordance with Chilean tradition, or it is not a source of legitimacy. Concise and clear, if what is wanted, responsibly, is to create a stable democracy for the future. Otherwise it must be recognized that in any plebiscite, the government wins if the procedures are not clear. But it is also clear—as in the case of Spain and Portugal—that those events are not sources of any legitimacy. They last as long as the bayonets impose silence upon the people.



For that reason, the political road toward a new democratic institutionalism must pass some critical tests. Is officialdom willing to surround the plebiscite process with all the electoral guarantees Chileans enjoyed in 1973, plus the additional safeguards indicated by experience? Is it willing to generate all the legal and civic preconditions in a way that will guarantee the equal right and opportunity of all political and social groups? In other words, is officialdom willing to run the risk of an adverse electoral outcome? And consequently, to yield to another constellation of persons and forces to preside over the transition?

Within officialdom, the polemics can be full of suppositions, and based on these, can arrive at erroneous conclusions. But before the rest of the country, it must not forget the weight of 150 years of democratic culture. The rigor of argument, the clarity of intentions and the integrity of action must be without blemish. Those are the tests of the democratic sincerity of officialdom.

That is to say--in order to be infinitely clear--the problem of the construction of a stable democracy for Chile is not a problem of political maneuvering or propaganda. It is a problem of the real will to incite the national consensus and open the way to a peaceful, rational and responsible way out for all Chileans.

The only way to avoid repeating the past is by respecting it. Anything else is dogmatism, lacking realism. Chilean democracy, with all its failings, was too serious and respectable to think that it could be swindled. And that those who lived under it have forgotten it, or that those who defended it are willing to betray it.

Also for the Left

This is valid for all extremes. Even for the Marxist left. The test falls on it also. It is clear that in the construction of the democratic Chile there are no broad fronts or unholy alliances based on an inability to tell the truth. It is one thing to respect the sufferings of those of the left--and to renew our solidarity and our will to alleviate this tragedy which cries to heaven--but it is another thing to reiterate that if they repeat their actions, their slogans and the programs of the past, they will again find identical opposition from the democrats. Because neither human rights, nor personal freedoms, nor political rights are matters for political deals. There are no tactical silences which prevent us from saying that to fight for life and liberty in Chile is to be radically allied to the dissidents and the victims of totalitarian oppression in the Soviet Union, Cuba, China, Poland, East Germany, Czechoslovakia, Hungary, Vietnam and Cambodia.

Consequently nobody, except as a result of being badly informed and deeply ignorant, can maintain that distinguishing between error and the person who errs--and therefore defending the dignity of man in all circumstances--can be confused with political alliances or ideological concessions.

No Chilean must have any doubts about where he will always find us. And for this reason he should listen to us now with respect and edification.

### Stability of the Process

We have cleared up two basic problems: that it is not necessary to wait for some vague threshold of economic development to advance toward political democracy, and that political consensus is only achieved through the willingness to agree and through procedures which are exemplarily clear.

A third aspect also needs to be analyzed. The history of the social sciences demonstrates that only those processes which are supported by society and not by the coercive power of the state acquire stability in time.

No democrat, certainly, will work to construct weak and unstable democracies. That problem is clear. The question is how to solve the problem of stability: Will it be with models conceived and imposed by the state through a group of "enlightened despots?" Or will it be channeled and tailored to the masses of society from the model proposed by the responsible participation of all? We Chileans know something about "irreversible processes" and about the "time periods" and "political conditions" which are needed for these things to become "truly irreversible." Do we want to repeat, again, a voluntarist experience which is not rooted in the conscience, values and interests of the country?

The abyss which separates the voluntarism of the ideologists of the liberal economy from the cultural tradition and the basic structure of the Chilean society is what causes many to fear for Chile's future. As democrats, we want the peaceful development of our country. We do not want any more wide swings of the pendulum, nor do we want to live destroying the legacy we have received. We want to look ahead with security. But this cannot be achieved when one sees an order constructed for a minority and based on the most egotistical individualism.

### Sensitivity and Moderation

What is asked at this time is sensitivity and moderation. And this is what appears to be lacking in officialdom. On the contrary, one finds a frightening ideological tenacity and attachment to power. It is not liberalism which is at the service of Chile, but Chile which is at the service of liberal idolatry.

Former President Frei, in his speech at Vina del Mar, proposed a seven-point plan for the reconstruction of democracy. It would be impossible to find anything more sane and sensible. A political path which agrees with the best Chilean tradition, which assures a gradual and peaceful change, since it is based on the consensus of all and not just on imposition by the few.



The Committee of 24 has made a constitutional proposal with a broad consensus, and the least that can be asked is that the Chilean people have an opportunity to become acquainted with it and make known their feelings about it.

Why try to disqualify those proposals as if they were not worthy of study? Why try to place arbitrary prerequisites on the return to democracy? Why delay the implementation of a transition process which may actually lead to a stable democracy and not just to an apparent solution destined to resolve the palace quarrels?

Those of us who make up the opposition have been accused of ambitions for power. However, always, wherever we were concerned, we respected the constitutional time limits. We have always accepted—without any exceptions—the decision of the courts of justice, the supervision of the treasury and of the national congress, the political civic discussion and daily control of the communications media. Consequently, after the completion by this administration of a longer term than any other in the history of the republic, with the greatest power and the fewest restrictions, we request that this burden be lifted, and also that those who intend to prolong this term a half decade longer, keeping their powers intact make it their business to do so.

This petition is not based on any hate, or ambition, or spirit of revenge, but only on the experience of human life and political science. In public life, individuals play one role and social groups and institutions play other roles. Sometimes individuals are useful, and sometimes they cease to be that. For that reason, many times they themselves hasten to relinquish their duties when they see the signs of their lack of usefulness. We all know them, in the daily life of business firms and of the parties. The case of Gen O'Higgins is an outstanding historical example.

No one must fail to recognize how serious and tense this decade has been. What the country has suffered. The passions which have been unleashed. The crimes which have been committed. It is true that no generation of Chileans ever lived anything comparable to this.

For that reason, in democracies it is always possible to make changes in ministries—and also in presidents, as was formerly done by many of those who support our present president—and nobody is offended. It is not a personal problem. Only functional. It is a question of serving the country rather than personal ends.

#### A Serious Solution

In a democracy, changes in political personnel always generate new perspectives. Many of the tensions and resentments of the past are broken. New styles open new opportunities, and new faces permit new beginnings. That has been the political practice in all the democracies of the world, including Chile.

Does it not appear reasonable to suggest the idea when the urgency of a political change to prevent greater evils is obvious? Or are they pretending that economic growth is capable of replacing the weaknesses generated among the people by a long period of destruction of their organizations and of civic indifference? Does eagerness to personalize public power reveal a democratic spirit?

It appears neither sensible nor reasonable to ask the democratic opposition to accept the paternalistic tutelage of a group of enlightened politicians the technicians which lacks legitimacy in destroying the tradition of the Chilean nation and imposing on it an ideological plan which is fighting a historical retreat.

If one wants a stable future for the country, one must have respect for the country. If one loyally wants democracy, one must respect the ethics of its procedures. If one wants a consensual solution, it must be achieved on the basis of the norms of dialog, respect and persuasion. That is the only path which leads to an outcome that will benefit us all, without regard to social class, political ideology or professional position.

The alternative is to maintain, under new appearances, an absolute power which will be the antithesis of the national and international consensus. To put it harshly--as Jaime Guzman says--that is the only truth.

From this moment forward, the problem of time limits loses importance. They will depend on the national consensus, and therefore on the construction of the bases for a stable coexistence in the future. It will be, for everyone, a true solution.

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## FACTORS INVOLVED IN INCOME DISTRIBUTION ANALYZED

Santiago EL MERCURIO, Informe Economico Supplement in Spanish Feb 80  
pp 10-16

### [Text] 1. The Concept

The well-being of a society is measured not only by the income that it is capable of generating but by the way this is divided among its inhabitants.

Generally, national per-capita income is used as an indicator of the degree of development of a country. In order to compare countries, this is expressed in terms of the same currency.

Although there are exchange problems and differences in definitions, the indicator usually shows in general terms whether it is a developed or developing country.

Thus, for example, Sweden and Switzerland with per-capita incomes of more than \$10,000 are prototypes of developed countries. Chile, on the other hand, with approximately \$1,500 per capita is a typical developing country.

In fact, international organizations like the World Bank usually group countries according to their incomes with the following categories: industrialized countries with per-capita incomes between \$4,000 and \$10,000 per year; countries with intermediate income between \$400 and \$4,000 (there are also several subdivisions); and countries with low income under \$400 per inhabitant.

However, the annual per-capita income cannot be the only indicator of the degree of development. There are countries, for example, with high per-capita incomes like Nauru, Kuwait or the United Arab Emirates which have more than \$10,000 per inhabitant but no one considers them developed countries.

There are also highly industrialized countries, for example in eastern Europe, with per-capita incomes around \$2,000 or recently industrialized countries like Taiwan and South Korea with per-capita incomes around \$1,000.

This demonstrates that per-capita income cannot be the only indicator of the degree of development of an economy although it is unquestionably the most important. Without income, there is no well-being; without production, it is impossible to satisfy the needs of society.

#### National Income

Let us first examine what national income means and then we will go into the complex problem of its distribution.

National income is the sum of all revenue received from the production factors that have been contributed by the inhabitants of the country. Thus, workers contribute their manpower and their knowledge; the wages that they receive are part of the national income. Investors contribute capital which also brings in revenue--whether called income, profit or interest--which is part of the national income. Lastly, the country receives net income from foreign production factors which increases national income. This can be rent, interest, dividends or profits received by residents who carry out activities abroad. The term "net" means that the money paid for the same thing must be subtracted from it. Traditionally, this net income from abroad has been a negative factor in our country.

Often writers prefer to use the term "product" instead of "national income" to indicate the degree of development of an economy. The truth is that the two concepts are very similar.

The national product is the sum of the added value from production in the different economic sectors of the country in 1 year, plus the net income from foreign production factors.

It is different from the national income in that the latter includes the indirect taxes (less subsidies) collected by the treasury and the allocations for the consumption of fixed capital. Generally this difference is a more or less fixed percentage of the national income so both indicators show parallel behavior and are used interchangeably.

The national income is not synonymous with the "wealth" of a country since this latter term is associated with the accumulated capital in a country. "Wealth" could be defined, for the effects of this analysis, as the "present value expected from the future income of the country." This will obviously depend on its natural resources, its demographic characteristics, its political and institutional conditions, etc.



It should also be pointed out that the national income, as we have presented it so far, constitutes an "accountable" definition which helps in the difficult problem of its measurement in real life.

There are many factors that contribute to the well-being of a community which are not included in the national income but which, nevertheless, become very important when the distribution of income is examined.

An example of the above is home consumption--that is, private production that is consumed within the family unit. This is valid for goods as well as services. Thus the produce from a family garden is part of consumption and, therefore, part of the income of the poor, principally rural, sectors. However, it is not included in the official indicators. The same thing is true about free domestic services like those done by the housewife, relatives or the head of the household in his own home.

Another factor that contributes to well-being but is not included in income is the use of public goods. Parks and plazas permit recreation and improve the environment. Roads facilitate movement; signs prevent accidents. Public goods are part of the wealth of a country but they do not generate income from the accountable point of view except for those who work in their maintenance and care.

The distribution of income is one of the most complex and controversial subjects. In a society of equals, it could be expected theoretically that all would receive the same income. Nevertheless, this does not happen in practice.

Not all persons are the same nor do the same work.

Let us assume that only one activity existed. There would always be some more capable people who would achieve greater productivity. Others would have more time and would work more. Some would have health problems or would not be satisfied with what they were doing. External or chance conditions could favor some sectors more than others. In other words, in spite of being the same activity, individual earning ability would differ greatly.

Let us assume now that identical persons do different activities. Here again they will differ in their ability to generate income since market conditions--supply and demand for goods and services--will pay some activities more than others.

In summary, since there are different people and different activities, their incomes will necessarily be different.

The only way to conceive of a similar income for all would be in a 100-percent state economy in which the state received the value of



all goods and services and then paid each individual equally. In addition to the enormous discretionary power that this type of economy would concentrate in the hands of government bureaucrats, the forces of the market would be stifled, there would be arbitrary allocation of resources and there would not be economic incentives in any activity. The Soviet-type centrally planned economies aim in that direction.

In a diametrically opposed system--a 100-percent market economy--income is nothing more than payment received from the production factors and this would be fixed theoretically by the productivity of each person satisfying the forces of the market.

In a social market economy, the predominant agent which allocates resources and rewards the production factors is the market. However, it is also true that most of the income is distributed outside the market: for example, subsidies, government expenditures, social security, grants and other types of noncommercial transfers.

The basic production factors are capital and labor. Access to them is a determining element for the distribution of income. Generally, there are institutional or social obstacles that hinder free access to the factors leading to what is called "inequality of opportunity."

Access to work can be hindered by physical inability, lack of adequate knowledge, union barriers, discriminatory practices or demands for minimum wages. Whether they result from personal or collective responsibility, they all impede perfect equality of opportunity in work.

Redistributive policies tend, in general, to prevent this from occurring, emphasizing aspects such as training, nutrition and health --which involve the individual himself--and also the openness of the market, union freedom and other things that help reduce structural impediments.

Access to capital can also be seriously hindered for historic reasons like inherited practices, for cultural reasons like education, for institutional reasons like the requirements for credit or for reasons related to the openness of the financial market.

The state should watch for effective equality of opportunity and guarantee every person access to the productive factors and to the income that they bring in.

Equality of opportunity is not synonymous with equality of income for the reasons noted above but it at least insures that that income is distributed in the fairest way possible, following natural channels, and not by artificial ways which lead to greater concentration of wealth and power.

## 2. Situation in Chile

Chile belongs to the middle class of nations. Nevertheless, in the context of Latin America, we were considered "upper class" until a short while ago. In effect, taking the average for the century, only Argentina and Uruguay had a higher per-capita income than Chile.

With the passing of time, our country lost ground compared to the progress sustained by other Latin American countries. In 1947, Venezuela pushed Chile into fourth place; in 1968, Mexico moved it to fifth. In 1969, it was Panama who left us in sixth place and in 1975 and 1976 we occupied seventh place behind Costa Rica, going below the Latin American average.

The Statistical Yearbook for Latin America (1978) published by ECLA shows that the per-capita product in the region increased at a rate of almost 3 percent per year in the last decade. In our country, on the other hand, this fluctuated wildly and, in 1977, reached the same level that it had in 1969.

The turning of the tide in national production in the last 3 years has permitted our country to partially recover the ground lost but our per-capita income is still barely over the Latin American average as seen in the following chart [chart not reproduced].

Note that Chile regained sixth place over Costa Rica by a very narrow margin. The results for 1979 should be even more favorable toward our country since the growth in production in the past year--about 8.5 percent--is one of the highest in Latin America. Our country is now bordering \$1,700 in domestic per-capita product.

### Studies

One of the most difficult problems from the methodological point of view is to learn how national income is distributed. How many rich and poor people are there in Chile? How much do they earn? What influence do the middle strata have?

The fact that Chile produces \$1,700 per inhabitant does not tell us anything about how much each one gets.

The distribution of income in our country has been measured on very few occasions. The first attempts were made by CORFO [Production Development Corporation] in its analysis of the distribution of income for 1942. Business engineer Juan Crocco made an estimate for that year based on reports on bank accounts. CORFO repeated its analysis in 1948. Later business engineer Helio Varela studied the shares of blue-collar workers, white-collar workers and management in national income.

The graduate thesis of Roberto Jadue Saba of the Department of Economic Sciences of the University of Chile was the first more or less accurate profile of personal distribution of income in Chile.

This thesis examined the years 1940, 1945, 1950 and 1954 using social security data for the blue-collar workers and information from bank accounts for white-collar workers. This information was supplemented by data from the Domestic Tax Service, especially for white-collar workers.

The distribution curves in this study can be seen in the graph. Although the representativeness of the sample has been questioned and there is uncertainty about the upper segments of the scale, the writers feel that there would not be substantial variations in reality.

Later, Isabel Heskia and Francois Bourguignon published "Statistical analysis of distribution of personal income in Chile in 1967" in which they used a different methodology. The data came from a national survey taken by CEDEM [Center for Mathematical Statistical Studies] of the University of Chile.

The study was based on the liquid income received by a sample of the active population, representative of 2.5 million people. The inactive population and unpaid workers were excluded so the results suffer from certain limitations. Nevertheless, this analysis is more reliable than previous ones and its conclusions permitted ODEPLAN [National Planning Office] to publish the personal distribution of income for 1968 in "Background of Chilean development 1960-70."

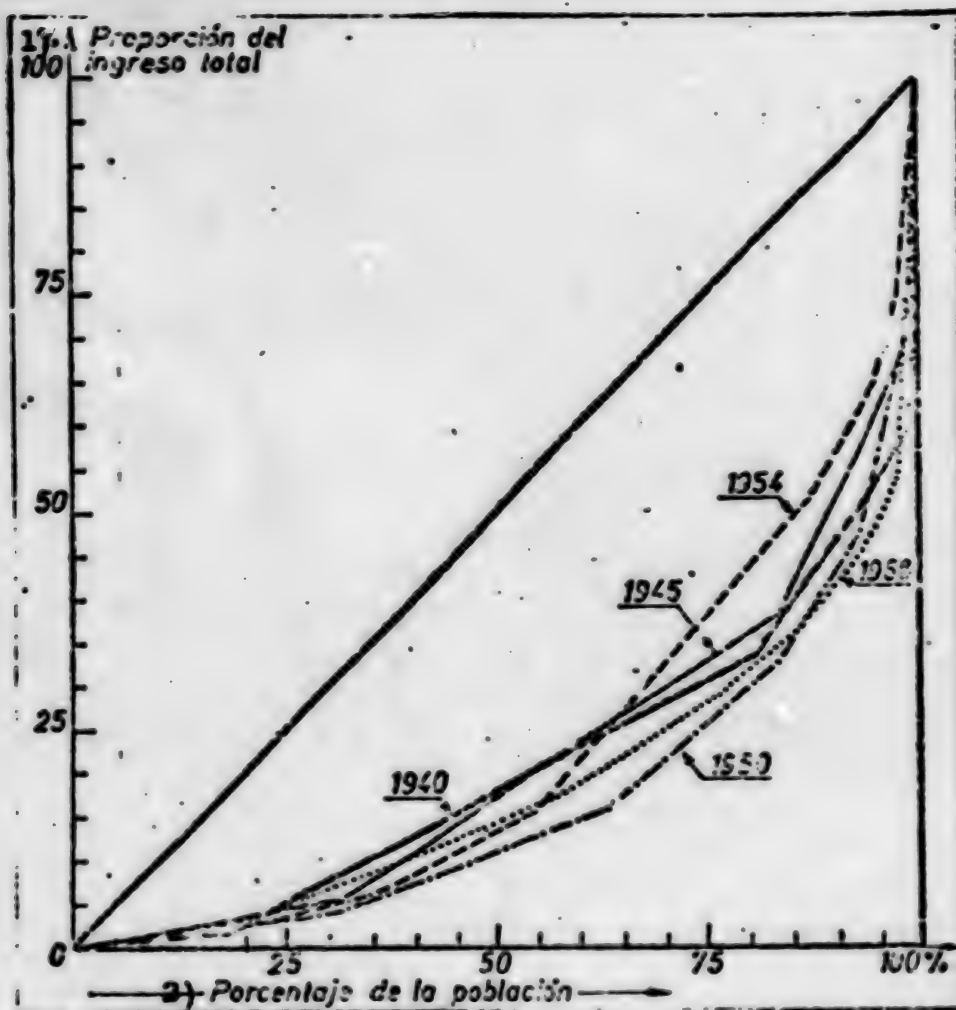
The distribution curve from that report is included in the graph.

Subsequent studies, principally surveys of family budgets taken by the INE [National Statistics Institute] in 1968 and 1978, provided a complementary view of how consumption is distributed among Chilean families from different social strata.

Lastly, the analysis published recently by Isabel Heskia, "Distribution of income in Greater Santiago, 1957-1978," should be mentioned. It is based on the survey of employment and unemployment that the Economics Department of the University of Chile took in the capital more than 20 years ago.

#### Concentration

The curves on the graph indicate the proportion of national income that corresponds to the poorest segment of the population. This segment increases until it includes all the inhabitants.



Personal Distribution of Income in Chile

KEY:

1. Proportion of total income
2. Percentage of population

Note: The curves resulting from studies made in different years show the proportion of national income that corresponds to each poorer segment of the population. In other words, the 25 percent poorest received 5 percent of the national income. The 50 percent poorest received about 15 percent of the income while the other half of the population received the remaining 85 percent.

For example, the curves show the following.

The 25 percent poorest in the country received only 5 percent of the national income.

The 50 percent poorest received about 15 percent of the total income.



The national income is divided approximately in half between the 90 percent poorest and the 10 percent richest.

Note that the diagonal line represents the ideal situation in which each person receives the same income. This situation never occurs. All countries generally have distribution curves--or "Lorentz curves"--that are closer or further from the ideal situation but always maintain a concave shape similar to that in the graph.

When income is concentrated in a very small segment of the population--a case of extreme inequality--the curve gets further from the diagonal line and its concaveness becomes accentuated.

The area between the curve and the diagonal can be used as a rough measure of the concentration of income.

When this area grows and forms a triangle, it shows maximum concentration. The Gini coefficient--defined as the area between the curve and the diagonal divided by the area of the triangle--is equal to 1 in this case.

The Gini coefficient equals 0 at the opposite extreme when distribution is equal and there is no concentration.

The curves in the graph have Gini coefficients that fluctuate around 0.5. Subsequent studies like the one done in Greater Santiago confirm this result.

It should be pointed out that the Gini coefficient cannot give detailed information on the distribution of income since different curves can have the same coefficient. Thus it is necessary to examine the shape of the curves to reach additional conclusions.

In spite of the limitations of the coefficient, it is interesting to learn its values in other countries.

Surveys taken in Argentina at the beginning of the 1960's yield Gini coefficients of about 0.43; that is, less than in Chile. Distribution seems to be more balanced there.

The same is true for the United States where the coefficient is even lower: 0.36.

In Mexico, on the other hand, 1963 data show a Gini coefficient of 0.54 which indicates a greater concentration than in Chile.

### Evolution

The distribution of income can vary with the years although, in general, it is a slow phenomenon.



Isabel Heskia's study on the distribution of income in Greater Santiago presents a comparative chart for the past 22 years. Although the statistical information has its limitations, the study uses the same methodology for the entire period so the results are comparable and changes can be seen.

Table 1 [not reproduced] gives the proportion of total income received by each tenth of the population. The first tenth is the poorest 10 percent of the inhabitants of the capital, the second tenth includes the next 10 percent, etc. The tenth tenth is the 10 percent with the largest income.

For reasons of space, we published only the data corresponding to the even years. The last line gives the Gini coefficient for each year.

Note that the Gini coefficient fluctuated around 0.50 with a slight decrease in 1972-74 when it was about 0.46. The study is merely descriptive and does not indicate if this decrease corresponds to changes in the quality of information or has a deeper significance. It could be hypothesized that it reflects changes in attitudes of the persons who supplied the information, underestimating high incomes. It could also be attributed to the attempts made under the Popular Unity to artificially redistribute income with the serious economic consequences that had. In any case, the phenomenon was temporary and traditional characteristics reappear in subsequent years.

Comparing 1978 to 1958, a slight improvement in the poorest three tenths can be seen; their proportion went from 1.19, 2.14 and 3.14 to 1.42, 2.58 and 3.49 respectively. The next five tenths--that is, the middle strata--show a slight decrease while the two highest tenths also increased slightly.

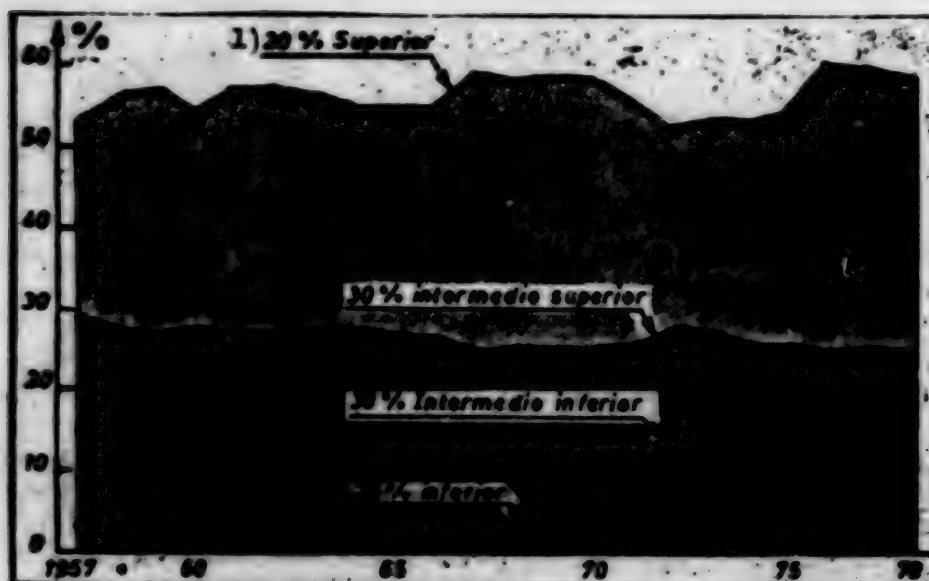
Nevertheless, there is hardly any difference between 1968 and 1978.

The principal conclusion that can be drawn from this study on Greater Santiago is that the distribution of income is an extraordinarily stable factor and that it can only improve through long-term measures aimed at improving the socioeconomic conditions of the poorest groups.

### 3. Rich and Poor

To show the socioeconomic characteristics of the different levels of income, we will use Isabel Heskia's study on distribution of income in Greater Santiago as our source of information.

First, the methodology used in that study and its limitations should be mentioned.



Participation in Income by Groups  
(Greater Santiago, 1957-1978)

KEY:

- |                 |                 |
|-----------------|-----------------|
| 1. Upper        | 3. Lower middle |
| 2. Upper middle | 4. Lower        |

Source: Isabel Heskia, Distribution of income in Greater Santiago

Note: This shows the evolution of the proportion of total income received by the different social strata. Note the variations that occur in different 5-year periods.

Since it was based on surveys of employment and unemployment, the information on income is only a subproduct. The pertinent questions were not detailed enough. The surveys were taken in June and referred to income received in May. In each home surveyed, the questions were asked individually about each member of the group who had received any type of income in the month of May; unpaid relatives were ignored.

The person who answered was not always the most suitable one although the visits were made on Saturdays and Sundays. The information refers to net income; that is, income received after social security and taxes had been deducted. Nevertheless, those who answered often, through ignorance, referred to liquid income after deductions for other categories like groceries, medical services, etc.

Also the perquisites of domestic employees were excluded from income since there are no uniform criteria for evaluating them. Neither

was the rent imputed to the families who live in their own houses included since that information does not exist for all the years.

Lastly, it was necessary to adjust the figures for each year in order to express them in a common currency: 1976 pesos. The official CPI corrected by Jose Yanez of the Economics Department of the University of Chile was selected as the guide.

### Extreme Urban Poverty

We will consider the poorest 20 percent of the population as living in extreme poverty. This is the group that most interests us since any redistributive policy--outside of the technical difficulties of defining a "just" distribution--always seeks to reduce the extreme inequalities by trying to improve the conditions of the poorest strata.

It should be pointed out that this group receives only 4 percent of the national income.

The following facts refer to the lowest 20 percent in personal income in the urban area since the mentioned work is limited to this.

a) Women predominate (55.1 percent). In fact, about 30 percent of the women who receive incomes fall in the poorest category although this percentage has decreased from 40 percent several decades ago.

b) Predominant activities are personal services, industry and commerce in that order. Nevertheless, it should be pointed out that the category of personal services has decreased considerably in significance. It was 55.4 percent in 1958, 39 percent in 1968 and 24.2 percent in 1978. Industry has also decreased but commerce has increased. About 15 percent of merchants are included in this segment now compared to only 10 percent 20 years ago.

c) About 18.5 percent are independent workers, 15.8 percent are domestics and 15.7 percent are blue-collar workers. It should be pointed out that, in the 22 years covered, the percentage of domestics decreased considerably from 44.2 percent in 1958 to 18.9 percent in 1968 and 15.8 percent now.

d) Concerning educational level, 76 percent have only a basic education or no education at all. This percentage has decreased from 93.5 percent in 1958. Middle-level education has increased to 18.5 percent now.

e) Old age predominates with 33.5 percent older than 56 in 1978 compared to only 14.2 percent in 1958 and 25.9 percent in 1968. This

means that extreme poverty is becoming more concentrated among older people. On the other hand, the percentage whose age falls between 14 and 19 years has decreased from 25.2 percent in 1958 to 12.9 percent now although this represents 51 percent of the youths in this age segment.

f) About 56.2 percent of this 20 percent of the population that interests us belong to the private sector but this percentage has decreased greatly from 87.2 percent 20 years ago.

g) In occupations, 27.3 percent are service personnel and 20.9 percent are blue-collar workers. It should be pointed out, though, that the majority of the blue-collar workers do not fall in the category of extreme poverty; almost half of them belong to the 30 percent in the lower middle--that is, to the third, fourth and fifth tenths. On the other hand, 41 percent of the domestics fall in this category.

h) Lastly, it should be noted that those who live only on a pension have become a major part of the poorest sector. About 24.7 percent of the lowest stratum are pensioners like this compared to only 2.3 percent in 1958 and 14.3 percent in 1968. This fact is even more dramatic if it is considered that almost half (47.2 percent) of all pensioners belong to the poorest 20 percent of the population. In 1958, only 13.1 percent of the pensioners belonged to this sector but the percentage has increased noticeably. This seems to indicate that the Chilean social security system has played an important part in the unequal distribution of income in Chile.

#### Rural Poverty

The results that we described in the above section say nothing about rural poverty since the sample only covered Greater Santiago. Nevertheless, other data like the "Map of extreme poverty" published by ODEPLAN in 1975 show that of the 21 percent that represent the lowest income sector of the national population, 67.8 percent live in urban areas and 32.2 percent in rural areas. The latter mainly includes small landowners.

Since the total population in 1970 was only 25 percent rural, this means that there is a greater concentration of extreme poverty in the rural sectors than in the urban sectors.

Also 1968 figures indicate that 45 percent of the rural population earned less than a living wage; this was only true of 18 percent in the urban areas.



Low education is another of the characteristics of rural poverty: only 16 percent of the rural poor, according to the "map," could be considered "skilled."

The poorest provinces in the country are predominantly agricultural ones: Maule, Linares, Nuble, Arauco, Malleco, Cautin and Aisen. Atacama and Coquimbo are the only poor provinces principally involved in mining.

According to the "map," agricultural activity and artisanal occupations are the principal work of the poorest sectors.

The young constitute another sector where rural poverty is concentrated, especially at school age (6 to 16 years). The "map" indicates that 57 percent of those in this age range attend school, 41 percent are idle and only 2 percent belong to the work force.

In summary, it can be stated that the poorest stratum of the national population is predominantly rural, with little or no education, devoted to agricultural or artisanal work, concentrated in youth and old people, mainly female and--with respect to the urban areas--with a large percentage of pensioners and personal service and domestic service workers.

#### **Wealth**

Continuing with the analysis of the distribution of income, we will now consider the socioeconomic characteristics of the upper extreme on which there is less information.

Since this group is principally concentrated in the urban areas, we will use the data from Isabel Heskia's study on Greater Santiago.

It should be pointed out that the richest 20 percent of the population received about 60 percent of the national income.

While the average income of the lowest 20 percent was 344 (1976 pesos), that of the highest 20 percent was 5,071 pesos; that is, 14 times more. The figures are from 1978 but the inequality has barely changed in 20 years, always fluctuating around 15 times higher.

The highest 20 percent in personal income is characterized by the following socioeconomic features.

a) Men predominate: 77.8 percent in 1978. This high percentage has decreased slightly since it was 83.1 percent in 1958 and 79.6 percent in 1968.

b) The main economic activity is industry with 22.2 percent followed by government and finance with 18.8 percent, community and social services with 15.8 percent and commerce with 15.2 percent.

c) About 55.2 percent are white-collar workers, 20.6 percent are independent workers, 9.3 percent are employers and 4.3 percent are blue-collar workers. It is surprising to see blue-collar workers in this income stratum but they only constitute 3 percent of the blue-collar workers in the sample while 84 percent of employers are in this stratum.

d) Concerning educational level, 42.1 percent have a middle-level education, 37.1 percent have a university education, 11.3 percent have special education and only 9.5 percent have only a basic education. It should be pointed out that the great majority of all those who have a university education--61.5 percent--belong to the upper stratum.

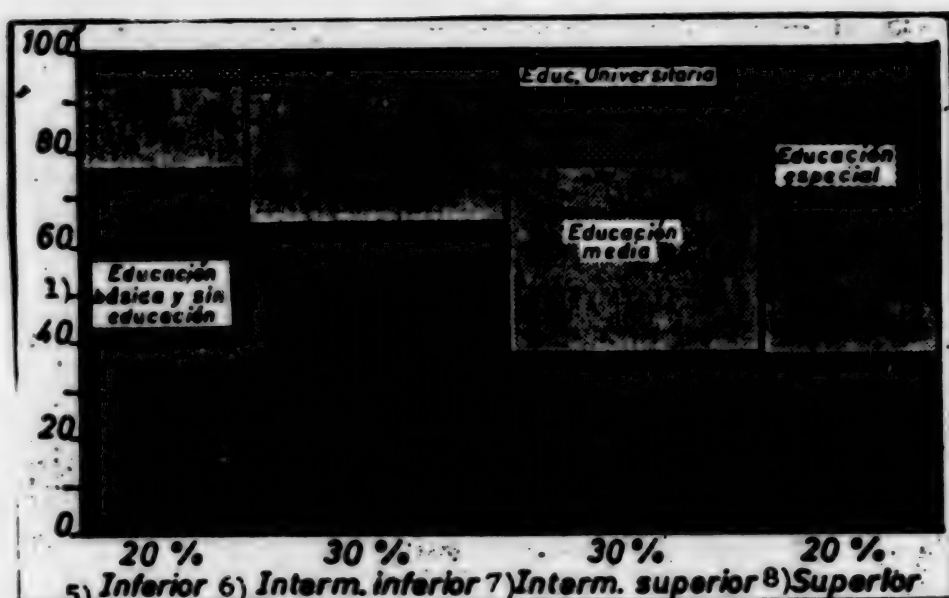
e) The age range is primarily between 26 and 55 years. About 75.8 percent of the stratum fall in that age range. Only 7.1 percent are younger than 25 and 17.1 percent are older than 56. All the figures refer to 1978. There has not been much change in the past 20 years.

f) About 70.7 percent of this stratum belong to the private sector. The predominant occupations are: professionals, directors and managers (34.8 percent); administrators (22.5 percent); and technicians, etc. (13.1 percent).

g) Lastly, it is interesting to point out that only 4 percent of the stratum live exclusively on a pension; this represents only 7.6 percent of the pensioners. In 1958, it was 18.5 percent of the pensioners and in 1968 this totaled 13.1 percent. The evolution here contrasts with what occurred in the poorest stratum.

In summary, it can be stated that the 20 percent with the highest income in Chile is represented principally by: men with good education; involved in industry, government and finance; mainly employed as professionals, directors, managers, administrators and technicians; and between 26 and 55 years old.

The influence of education is confirmed by the data concerning family income. Isabel Heskia's study reveals that those families with heads of household who have received university educations receive, on the average, about five times the income of families with lower educational levels.



Greater Santiago: Educational Level by Income Category, 1978

KEY:

- |                           |                 |
|---------------------------|-----------------|
| 1. Basic or no education  | 5. Lower        |
| 2. University education   | 6. Lower middle |
| 3. Middle-level education | 7. Upper middle |
| 4. Special education      | 8. Upper        |

Source: Isabel Heskia, Distribution of income in Greater Santiago

Note: Here is the educational composition of the four social strata. Basic or no education prevails at the lowest level while special education predominates the upper level. Note that the highest percentage of university education is found in the upper-middle 30 percent.

#### 4. Redistributive Policies

In the previous sections, we saw the magnitude and inequality of distribution of income in Chile and we showed the socioeconomic characteristics of the poorest and richest segments of the population.

Let us now look at the redistributive policies that have been carried out and those that are now attempted.

First, we must refer to the debate between growth and distribution which has concerned economists for a long time.

## **Inequality and Development**

Every economic policy, especially in underdeveloped countries, tends to accelerate the rate of growth of the product. Nevertheless, the accelerated growth has apparently worsened distribution of income in many countries and led to a greater concentration of wealth. Some economists point out the case of Brazil where this may have occurred although the reports are not conclusive.

There have also been cases--like in Chile under the Popular Unity--when a deliberate attempt to redistribute the income in the short term led to stagnation--and even regression--in economic development.

**Are the searches for development and equality incompatible goals?**

The answer to this question should be: everything depends on the speed with which both processes are implemented. For example, if we want to construct a building quickly, it will probably not be solid enough at the base. Inversely, if we worry too much about solidity, progress will be very slow.

There must be harmony between the two objectives--growth of income and just distribution--so the state must actively participate.

Without economic growth, there will not be enough income to distribute, especially considering the very poor conditions in which the majority of the underdeveloped countries live. However, without distribution to provide acceptable living conditions for the people, the growth itself will be threatened and hindered by social inequality.

Therefore, economic progress includes both closely related variables: quantity of income and distribution.

## **State Action**

The state plays a basic role in a social market economy since, through its regulatory and subsidiary activities, it must generate conditions so that there can be economic prosperity based on the free play of the forces of the market.

Thus the state should constantly intervene to correct imperfections, remove obstacles and prevent distortions that impede the correct functioning of the markets. Also its subsidiary role leads it to intervene in all areas not governed by the laws of the market--like national security, for example--or which cannot be assumed by the private sector because of the amount of investment or similar reasons.



The state, through its allocation of social expenditures and the way it collects taxes, constitutes the principal income redistributive agent.

Its mission is to transfer income from the richest sectors to the neediest but without deteriorating the rates of growth of the economy.

Generally, there is very little tendency to save in the poorest groups. Therefore, when transferring income from the highest sectors to the lowest, the state should watch that it is allocated for productive investments, thus preventing deterioration in the accumulation of national capital.

The drop that necessarily occurs in overall savings of families should be compensated by increased government savings and investment.

Why does redistribution of income interest the state?

Many answers could be given but basically they point to the following.

The exclusive responsibility for distributing income cannot be left to the market since this has major distortions and does not reach all areas of national activity.

For different reasons like those analyzed in the first section, vast sectors of the population have little or no productivity so they are incapable of earning income. This can lead to inhuman living conditions which will affect economic growth itself and national security.

It is also interested in redistribution from the economic point of view in order to increase the size of the consuming markets and thus exploit scale economies and the incorporation of modern technologies in production activities.

#### **Taxes**

The tax policy is part of state redistributive action.

Every tax has an inefficiency cost since it works against the efficient allocation of productive resources by taxing certain activities more than others.

A combination of taxes that are as neutral as possible must be found. However, they must also have a structure that makes the sectors with highest income pay more.

Traditionally, direct taxes with a progressive rate have been used in Chile instead of indirect taxes. The redistributive objective of this policy, nevertheless, has been affected by the high rates of evasion, mainly of the rich. On the other hand, indirect taxes are neutral from the point of view of redistribution and are more efficient in the allocation of resources. They also permit better collection which has been verified in Chile since the establishment of the value added tax.

Thus the redistributive objective of the government has focused more on the allocation of social expenditures than on the way taxes are collected.

### **Social Expenditures**

There is no question that social expenditures should go to the neediest sectors but the identification of these sectors and their priority needs should respond to strict criteria of social benefit.

Social return means considering, as part of the costs and benefits, a number of elements that private profitability does not include since they are not monetary benefits. Properly evaluated, they contribute to increase the present net value of investments.

For example, these elements include impact on the environment, formation of human capital, well-being, recreation and every type of external factor that has value for society.

A government economist said: "The social evaluation of investment projects is perhaps the most powerful lever for redistribution of income from the economic point of view." The social policy of ODEPLAN aims in that direction.

This criterion was not always used in the past. Often state subsidies were allocated, using political criteria, to sectors of the population that were not the neediest but had greater electoral importance. This frequently occurred in areas like education, housing, health, social security and public services.

For example, free basic education did not really reach the sectors of extreme poverty. According to the "Map," 43 percent of the school-age children in the poorest 21 percent of the population did not attend school in 1975. The overall average of nonattendance was only 20 percent.

Social security was even more regressive. High social security rates not only reduced the income of wage earners but also generated unemployment which affected the poorest sectors since they were such a burden for labor. The benefits of the system were small and even

regressive; workers received less family allowance and could not retire except for old age. They did not receive unemployment insurance or payment for years of service.

In housing, state resources were exploited more by the middle and upper sectors of the population which had access to subsidized credit instead of being oriented toward the lowest income sectors.

### Human Capital

A social evaluation of public investment shows that one of the most profitable allocations is training of human capital.

In effect, training of human capital considerably increases labor productivity and accelerates the accumulation of capital.

This phenomenon is well known in the case of Japan and other recently industrialized countries which placed special emphasis on the training of human resources and increasing productivity. In this way, not only their own resources but foreign ones could be used, exploiting foreign technology and foreign savings which permitted accelerated growth.

Education and training do not constitute a "current expense"--as in the budget--but an investment when done according to criteria of social benefit.

The redistributive effort through education has three other characteristics with special significance.

The income that it generates is more permanent.

Its depreciation and obsolescence are slower.

It is less vulnerable to external factors.

Any redistributive effort that is not accompanied by a corresponding increase in physical or human capital to receive the higher income is very temporary and reversible. The wage policy of the Allende Government demonstrated this. A major increase in real wages led to widespread impoverishment because of the inflationary process that it unleashed.

### Priority Areas

Training of human capital is more profitable when it is aimed at the lower age ranges. In effect, it considerably improves the present value of future income since the income will be prolonged by a

longer life expectancy. Also the relative costs decrease because it is easier to incorporate permanent goods in them at a lower age like education, health, nutrition, etc. Therefore, the redistributive effort should be oriented especially toward youths and children with programs like basic education, technical and professional training, preventive medicine, nutrition, physical development, etc.

Training for blue-collar workers is another important facet of training human capital for redistributive purposes. The high risk that the training costs represent for the private sector and for the beneficiary himself make the social benefits of this investment substantially greater than the private benefits; this justifies state subsidies.

The effect of labor training is felt simultaneously in several areas. It increases national productivity, alleviates the problem of unemployment and improves distribution of income.

In housing and health, priority must be given to the lowest income sectors since the imperfections in the market are felt with greater intensity here. The high cost of health services--both preventive and curative--obliges the state to assume a subsidiary commitment for the poorest sectors. Also the high cost of housing credit makes it inaccessible to these sectors. Thus the redistributive policy is carried out through direct subsidies to those who need them most from the individual as well as the social point of view.

It is important that the subsidies effectively reach the people for whom they are intended. Social security is a good example where this did not occur. The social security reform which is still under study must consider this point carefully.

In conclusion, given a certain availability of resources, priorities will be determined by those sectors and needs that present a greater positive difference between social return and private return.

#### **Access to Capital**

The ownership of capital is one of the determining elements in the unequal distribution of income. Therefore, it is indispensable to facilitate the ways through which each person has equal access to capital. This is true for physical capital as well as for financial and human capital.

The popular capitalism systems aim in this direction based on the opening and drastic expansion of financial and credit markets.



Chile has advanced some in this field but there is still much to do, especially in reference to access to the stock market for small investors and cheaper housing credit.

In the preventive aspect, it is important to intensify the antimonopoly policy, not only for the benefit that this means for the good functioning of markets but also to prevent illegal enrichment at the cost of consumers.

Every state action that tends to hinder the concentration of wealth is desirable from the economic as well as the political point of view. It is urgent to implement measures, especially in the institutional and legal areas, that insure the openness of the financial market and prevent collusion by large conglomerates that hurt the public and free competition.

Referring to access to capital, it should be pointed out that the policy of increasing real-estate taxes aims in the right direction since it increases the cost of maintaining unproductive capital and facilitates access for those who can make it productive. It would be helpful to revise the present inheritance tax and similar taxes in order to improve conditions for effective equality of opportunity among Chileans.

#### Access to Work

Finally, the labor factor should be mentioned. Here also free access is fundamental.

The policies followed for decades that encouraged the intensive use of capital and made labor artificially expensive have been mentioned as a cause of inadequate distribution of income and low economic growth.

This situation continues today in spite of the significant reduction in social security rates. Nevertheless, mechanization has been favored by the general reduction in tariffs which has led to imports of complicated machinery and low-cost mechanization.

This has unquestionably contributed to maintaining undesirable unemployment in the industrial sector. Nevertheless, this does not mean we should stop these imports. On the contrary, encouragement for exports, which goes along with a greater demand for imports, should be based on those activities that mean a more intensive use of the most abundant factor--manpower--following the principle of comparative advantages.

Until now, this has only occurred partially although we should continue in this direction so that the increase in foreign trade will

be permanent, not temporary. This means an even greater reduction in social security rates which affects the labor factor and its replacement with neutral taxes as part of the social security reform.

We cannot end this analysis without referring to minimum employment and the Labor Plan.

The measures that aim at institutionalizing minimum employment are clearly redistributive since they try to insure a minimum income for every Chilean, independent of his productivity, and are directed precisely at those who need it. Nevertheless, the results might be more theoretical than real if that income does not reach subsistence level.

Lastly, the Labor Plan can be called one of the most important advances in the search for conditions to guarantee equality of opportunity in labor.

In effect, union freedom, collective bargaining, the search for a more just division of business surpluses and the elimination of numerous impediments that impede free access to the labor market will have a significant and permanent impact leading toward more equal forms of distribution of income, especially in the middle segments of the curve.

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## 6. Opinions

**Question:** It is said that the denationalization of the economy has led to a greater concentration of wealth and has reduced the ability of the state to redistribute income. What do you think about this?

**Miguel Kast, minister-director of ODEPLAN:** Contrary to what is stated in the question, it seems to me that denationalization of the economy leads to a smaller concentration of wealth and, at the same time, increases the ability and effectiveness of the state in its work to redistribute income.

This opinion is based on two fundamental reasons:

1) The lower the degree of state intervention in the economic system, the less the possibility that persons, enterprises or economic groups can obtain favors from the state in the form of discriminatory laws or exceptions that benefit them. Our economic history for the past 40 years has been filled with this type of thing. The omnipotent state became the supreme dispenser of wealth or poverty for Chileans. Many of those who accumulated wealth did so protected by the state (high tariff protection for their enterprises, credit or interest rate lower than inflation, tax exemptions, etc.). At the same time, 20 percent of the Chileans were fighting extreme poverty, totally isolated from state privileges and favors.

There is no empirical or theoretical argument that indicates that progress toward a modern mixed economy will lead to a greater concentration of wealth. On the contrary, evidence indicates that the less socialist a country is, the less the percentage of income paid to capital and the greater the percentage paid to labor and human capital in general. The great success of a free economy is not the accumulation of property but the opportunities offered to persons to develop and increase their own abilities.

Also the economic progress attained under a free economy is always accompanied by a drastic decrease in inequality in the standards of living between rich and poor. The principal characteristic of economic progress--which has also been true for Chile--is that it places products and services within the reach of lower income sectors which previously were the monopoly of high income sectors.

2) Finally, it is important to indicate that the denationalization of the economy permits the state, in its subsidiary role, to devote itself to priority tasks--that is, to social sectors like education, health and housing. Therefore, its ability and effectiveness in redistributing the income increase. When the state does not have to distract resources to finance enterprises that can be managed more efficiently by the private sector, it can channel them toward the sectors that really need them.

Question: Different commentaries have pointed out the methodological limitations of the recent study published by the Economics Department on distribution of income in Greater Santiago. Do you agree with them?

Andres Passicot C., director of the Economics Department of the University of Chile: The methodology used in gathering and processing the data was, without doubt, correct. It cannot be compared with what has been used in similar studies in the country and abroad. The mere fact that the data cover 22 years, using a sample defined by universally accepted statistical procedures and applied by teams of skilled interviewers and supervisors, permits us to fully rely on the procedures used.

Rather than criticism concerning methodology, what has been heard are comments on the conclusions derived from the information published by the Economics Department. There have also been observations on specific values, especially in reference to capital income.

Concerning the former, I believe that it is good that the conclusions are discussed and, as much as possible, the positions are supported by objective data. We have provided a series of figures. If someone has better data, let him contribute it to the discussion.

In relation to observations on capital income, I agree that there is an underestimation. This is natural and occurs in any survey on income at the home level. This is clearly noted in the introduction of our publication.

I do not agree with the conclusion that tries to infer that the distribution of income is more concentrated than indicated in our publication. If that were true, it would be necessary to prove that we have underestimated only the income of the rich in our surveys and that this has occurred systematically in all the years.

It does not seem likely that this has occurred so as to substantially alter the value of our indicators.

Note: INFORME ECONOMICO also asked economist Alejandro Foxley, president of CIEPLAN and Bernardino Castillo, copper union leader, for their opinions. Unfortunately, one was on vacation and the other was involved in very urgent problems so they had not answered our questions at the time the present report went to press.



## FORMER MINISTERS CALL FOR UNITY AGAINST COMMUNISM

San Jose LA NACION in Spanish 25 Jan 80 p 4A

[Text] Former Labor Ministers Estela Quesada and Francisco Morales agreed that it is necessary for all democratic political parties, with no exception, to forget their differences for a moment and form a united political front against Marxism and its strategy, and to face the challenges that our country must now deal with.

The two former ministers made speeches the night before last at the Club Internacional Colon. Joaquin Vargas Cere served as moderator, and many businessmen were in the audience. The round table discussion concentrated on the topic of unionism and democracy.

### Criticism

Ms Quesada, who was minister of labor until 2 months ago, claimed that the long-term objectives of leftist totalitarianism are not to solve national problems, but to undermine our nation's democracy.

She cited the Bolsheviks as the first to take advantage of the labor movement to gain power, and later to install a regime that opposed the basic freedoms of mankind.

She added that although our democratic system tolerates these enemies to the point of stupidity, and establishes a fair labor system, the Union of Soviet Socialist Republics (USSR) has eliminated minimum work days. In exchange for that, in the name of false patriotism, people are forced to do an overwhelming amount of work for 10 or more hours a day. All possibility of demanding pay raises has been eliminated.

In Costa Rica, according to Quesada, the Communists talk about making demands for the workers, but what is really going to happen is that if they manage to take over, thanks to the apathy of our democrats, they will put these poor peasant families and workers to work for 10 or more hours, and will eliminate any possibility for them to improve their incomes.

## Incompliance

Mr Morales said that not only did he share the ideas expressed by Ms Quesada, but it was also a great honor to share the table with her. Later he warned that "there is no democracy without unionism, nor unionism without democracy." He cited Article 262 of the Labor Code, which stipulates that unions should concern themselves with the education of the people and the defense of democracy, among other things.

However, Quesada asserted that these principles are not fully complied with by the unions, which have devoted themselves exclusively to wage demands.

She said that there is a "disaster" and a clear "disunity" in democratic unions, and warned that at any moment there could be a "strengthening of the unions led by Communists."

She said that the task of democratizing our unions is an obligation of our government. She asserted that the disaster and disunity of the "democratic" unions can be blamed on the governments, politicians, businessmen and on the unions themselves.

Thus, she pointed out the need for an "immediate political unity that will even legislate to prevent exclusively political interests from being mixed with labor interests."

Tolerance of and cooperation with Communist leaders, she said, only damage our system and benefit the extremists who want to overthrow our institutions.

## Flaws

Mr Morales said that the labor movement certainly has many flaws. One of them is that "it wears itself out making demands and ignores education, training, culture, housing, recreation, etc."

But he noted that it is necessary to look at the situation a little more closely in order "to take a step forward." He added, "We must go from political democracy to economic democracy." Later he stressed the fact that our democracy has inexhaustible resources to deal with any challenge, even the Communist threat.

Economic democracy was defined as the result of the analysis of three basic elements that could pave the way for its achievement: 1) Wages. The question was asked: Is this mechanism sufficient to maintain democratic peace? 2) Private property. It was stated that we will all be happy when we create a nation of property owners and not proletarians. 3) Savings and capitalization. In reference to this, it was stated that the system does not allow anyone to earn 6,000 or 25,000 colons a month, an effective savings.

## Institutions

Former Minister Quesada responded that the country does have institutions that will allow for the enhancement of democracy, which she said was the result of the thinking of the most illustrious leaders during the dawn of our republic. She mentioned the services of the Costa Rican Social Security Institute, the National Institute of Insurance, the Institute of Land and Colonization, the National Production Council and others as examples of institutions that allow for the unrestrained and just development of our system.

However, she accused the Communists of taking advantage of these institutions, including the educational ones, in order to play politics and confuse Communism with what is strictly progressive or avant garde.

Mr Morales said that it was necessary to determine whether the criticism and prohibition of linking the political-electoral problem with the union problem would cause more damage to our democratic leaders and actually benefit the Communists.

Quesada pointed out that the democratic parties in the Legislative Assembly should legislate to prohibit that link, because "our regime needs ways it can defend itself."

She also stated that the parliamentary system has been regarded scornfully by Marxists, but they have used it as a tribunal in order to confuse the democratic sentiments of the people.

She said that for three days the Communist deputies had devoted their time exclusively to the banana strike and to agitating the masses.

## No Increase

Nonetheless, for Francisco Morales, the only party in Costa Rica that has not expanded its electoral base is the Communist Party. He said that it is necessary, however, to move into new areas to confront the risk this minority presents, although he also made mention of the influence of the Sandinists on Costa Rican youth, the tax burden on the middle class (which is being "very seriously affected"), and other factors such as the high cost of living, as objective elements that together with minority Communism could reach such a magnitude that they could really threaten the democratic values upon which our system is based.

In view of that, he urged that full attention be given these other aspects in order to adopt a strategy based on each group sacrificing what it can for the sake of a society that will be more just and less vulnerable to the attacks and strategies of Marxist-Leninism.

8926

CSO: 3010

PAPER SAYS COUNTRY IN TROUBLE

San Jose LA NACION in Spanish 30 Jan 80 p 14A

[Text] If the government and political parties do not correctly diagnose and confront the country's current problems, they could degenerate into a national disturbance in the short run. The Carazo Administration, in fact, finds itself halfway through its term facing a climate of dissent that has many different motivations and different ways of affecting the various national sectors.

However, the common denominator which is operating as a dangerous detonator is the short-term surge in the cost of living, this time accompanied by a relative or temporary shortage--but still a shortage--of many basic necessities such as milk, eggs, oil, sugar, salt and beans. The price of gasoline has gone up by decree to 22.50 colons per gallon, and has aggravated this situation by multiplying the inflationary factors that are already exerting strong pressure.

Through the minister of economics, the government has adopted the worst of all policies in view of this problem of rising prices and shortages of goods. In fact, the ministry has launched a large propaganda campaign against speculation, encouraging consumers to turn in merchants who charge prices for their goods that are higher than official standards. At the same time, it warns them that the government does not have enough inspectors or rural guards, and therefore the consumers themselves should take on the responsibility of curbing speculation by immediately reporting these people.

If official prices were not as high as they are, and if many items in the consumer basket were not in short supply, as we mentioned earlier, this campaign by the Ministry of Economics would not have been so bad. But since quite the opposite is true, given that official prices are nearly at speculation levels and consumer essentials are scarce on the market, some could interpret this campaign as a ruse to draw the public's attention away from the true causes of the problem.

As a reflection of this situation, or rather the other side of the same coin, farmers have begun to raise their voices in protest or dissent due



to insufficient bank financing for their activities. The same thing is happening with industrialists, merchants, butchers, and teamsters. The Central Bank's credit policy has continued to be not only unstable, but contradictory and specious. The liberal viewpoint which at one point seemed to have become the prevailing orientation was soon altered in light of specific situations in some dissident sectors, and the same practices and criteria that were supposedly going to be eliminated were reinstated. In any case, this liberalising credit policy, which was based on the need to assign capital its true market price, was not complemented in the other areas of the economy (specifically, prices of goods) by the same philosophy, but rather was opposed by a contrasting philosophy. The setting of prices, which survived an attempt to allow them to float on the waves of supply and demand, was supported by intensive police surveillance. That vigilance has not only persisted, it has been stepped up with the anti-speculation campaign.

The last-minute solution which the minister of economics resorted to in order to counteract the suspension of sales of basic goods agreed upon by retailers, consisted of hurriedly importing the goods that were needed and selling them in government stores. This measure only partially and temporarily solves the problem, leaving a situation that could become serious. The chronology which we published in last Monday's edition on shortages and rising prices of basic consumer necessities, leaves no room for doubt. The government has not been able to deal with this simultaneous process of scarcity and increasing prices of essential goods.

At the same time, the president is taking actions that are disconcerting, such as the simultaneous opening and closing of the Tempisque Sugar Plant (CATSA) anhydrous alcohol plant, followed days later by rectifications that nonetheless left things in as unclear a state as before. The questioning of the Costa Rican Oil Refinery (RECOPE) as a state-run enterprise and the claim that it has become a means to distort prices and a generous source of fiscal resources and subsidies, can be added to this picture of opposition and frustration in many sectors.

What is the government doing to head off this process of general disillusionment? President Carazo seems not to perceive what is happening around him, and continues to adhere to his incurable optimism. The country, according to him, is in marvelous shape. There is no shortage of basic goods, no financial problems for farmers or industrialists. There is no crisis in the current price of fuel. As a consequence of this idyllic image, no changes are being made, nor has anyone presented an immediate program that includes emergency measures within an overall coherent framework of national projections. The country's situation is difficult, certainly, but not insuperable. If the Carazo Administration does not finally realize that, the situation could rapidly become worse.

The purpose of this commentary is to invite the president to reflect on the circumstances and change his attitude.

## COSTA RICA

### PRIVATE SECTOR LEADER SAYS COUNTRY SITUATION 'DISASTROUS'

San Jose LA NACION in Spanish 27 Jan 80 p 10A

[Text] The president of the National Private Enterprise Union (SINDEP), Armando Guardia, stated that the national situation is one of "total disaster" after looking at Costa Rica's unfavorable balance of trade with other Central American countries.

"I have never believed in the Central American Common Market (CAOM)," he said, citing his own words of earlier years to the effect that his position is not one of denying for the sake of denying, but that "when we joined the CAOM, we did not consider the political and economic conditions of those nations."

The day before yesterday we published a report entitled: "Deficit comercial con el area en 1979 es el mas alto de la historia" [1979 Regional Trade Deficit Highest in History]. According to the figures, which were provided by Olmedo Castro, director of economic integration, the deficit reached \$47.9 million with Guatemala, El Salvador and Nicaragua. With Honduras there was a favorable balance of trade with a \$11.4 million surplus, which makes the real deficit \$36.5 million. Honduras is not a member of the CAOM.

### War

Mr Guardia pointed out that as a result of the war in Nicaragua, in El Salvador as well as Guatemala there was strong criticism of the Costa Rican Government. According to him, this could be influencing these adverse figures.

However, he believes that the Caribbean markets have partially made up for this deficit, but he urged the government to seek "as soon as possible, other international markets where we can sell our exports."

He also noted that there is a real problem: "We need the products of those nations more than they need ours."

## Denial

Despite the above, Guardia feels that the most serious problem is "that there is not an efficient Central American Common Market." He complained that there are a lot of roadblocks, sometimes hostile attitudes between nations, desertions and other elements that daily conspire against a common market that is sick, invalid and lazy."

He explained that in the nation's domestic trade "there are very significant phenomena," and promised to release a complete report on his analysis of the situation next week.

## Survey

Meanwhile, the unfavorable position Costa Rica has in the CACM has led the Chamber of Industries to organize a survey to determine to what degree the CACM is harming our industry.

The survey will be made in order to obtain answers regarding the losses incurred when goods are not exported, as well as economic damage and other issues.

Next Tuesday a decision will be made on what to do, once the opinions of other industrialists and merchants who apparently benefit from Costa Rican exports to the Caribbean, are obtained.

8926

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PAPER LABELS CODESA 'WHITE ELEPHANT'

San Jose LA NACION in Spanish 25 Jan 80 p 14A

[Editorial: "A Collection of White Elephants"]

[Text] The Development Corporation, Inc. (CODESA) of Costa Rica has become a genuine collection of white elephants, costing taxpayers millions of colons to feed.

The most recent case to be debated is that of the Tempisque Sugar Plant (CATSA), whose anhydrous alcohol plant cost 130 million colons. At the opening ceremony President Carazo practically came out and said it would be shut down, although later he said that he "was convinced that the country should march down the appropriate path towards the mixture of gasoline with alcohol," but without burdening the consumer with the cost of errors made by public agencies. Furthermore, former President Daniel Oduber defends the project, which was initiated under his administration, and concludes that the production costs, and consequently the finished product cost, rose in conjunction with project delays or backlogs.

CODESA has several projects that totally or substantially failed. It is the same story whether we talk about aluminum, cement, sulfur, Guanacal or anhydrous alcohol. In all these cases the country has lost millions of colons and valuable time of agencies and people who could have been working on more profitable endeavors.

While President Carazo and former President Oduber discuss anhydrous alcohol, it is well to remind them both that the nature of the problem is quite different.

CODESA was originally conceived as a stimulus to areas of industrial development in which the private sector was not participating due to a lack of interest or of financial capacity. It was to act in those areas where the nature of the projects, investment and the time period needed to recover capital were such that private parties were not in a position to risk the initiative. But the idea was that CODESA would later sell its industries or stocks to the private sector in order to obtain new resources and stimulate other enterprises, always for the purpose of generating more wealth for the nation.



However, CODESA's results to date have been a real disappointment. Its enterprises are, for the most part, huge ventures without possibility of profit which will have to continue to vegetate while being sheltered by fiscal or monetary resources. It will be impossible to realize the dream of transferring them to the private sector because it is so hard to find investors who want to put their money into hopeless industries.

The way things are going, we believe that Messrs Oduber and Caraso are debating secondary issues and are not reaching the heart of the matter. The success or failure of CATSA is completely non-essential to our way of thinking. What does matter is that both leaders should recognize the truth: they have both supported, to different degrees and with different implications, the continued investment of funds in an entity which has proven unable to meet the original objectives. That is why millions have been lost in a variety of activities that, as has been proven, only leave the country with the bitter and costly experience of an overblown state-run entrepreneurship.

If they had the courage to face this fact, perhaps Caraso and Oduber and public opinion would not be so bent on debating unimportant issues and would concentrate on the key issue: Is CODESA's existence justified?

8926

CSO: 3010

ODUBER DEFENDS CODESA AS NECESSARY

San Jose LA NACION in Spanish 27 Jan 80 p 4A

[Text] Former President Daniel Oduber stated that we must support the Costa Rican Development Corporation (CODESA) as the creator of great enterprises if we want true development for Costa Rica.

The former leader made this comment in an answer to a LA NACION editorial, entitled: "Una coleccion de elefantes blancos" [A Collection of White Elephants], which was published last Friday.

The LA NACION editorial claims that CODESA has become a genuine collection of white elephants, costing taxpayers millions of colons to feed.

Finally, the editorialist asks if the existence of CODESA is really justified, since the enterprises it has created have mostly been failures.

In that regard, Mr Oduber states:

"It would seem that I have to continue abusing LA NACION in order to respond to its editorials. I know the space problem you have, so I must not write too extensively, but unfortunately I feel compelled to write about the attacks and editorial comments that have been made regarding my administration's work. Your last editorial, 'Una coleccion de elefantes blancos,' obliges me to discuss your points of view once more, particularly with regard to your final question: 'Is CODESA's existence justified?'

"I am glad that the now famous presidential speech of 19 January has given rise to a debate on anhydrous alcohol, gasohol, CATSA, and in general, the CODESA enterprises. I am given to reading government platforms--perhaps because I completed mine--and it was with great satisfaction that I read on page 52 of the platform of the Unity Party--which you enthusiastically support--the following paragraph:

"If Costa Rica were to overproduce sugar and there were no international market for the surplus at fair prices, it would be appropriate to follow Brasil's example and process that product into alcohol to be used as a fuel, which would contribute to the solution to our energy problem. It would

also be possible to obtain fertilizers and other derivatives from the sugar-chemical industry."

### The Plant

"During my administration the price of sugar was a disaster on the international market. Among other things, we decided to install a large sugar mill at Tempisque so that we would not have to become sugar importers later. We decided that later we would put in an alcohol distillery--the first--adhering absolutely to the standards and recommendations of the Brazilian and Costa Rican technical groups. At that time, for the Unity Party, Brasil was the most technologically advanced country in the field of sugar-chemistry, and its offers could not be beat or even equalled by any other country in terms of the industry and the financial picture. I am very glad that such is still the case. I believe that President Carazo is misinformed by machinery salesmen from other countries which want to gain an edge on Brasil in this field, after having copied its technology and experiences. But let us return to GATSA.

### Project Begins

"Before taking office I was visited at my farm La Flor by an illustrious group of sugar growers, to whom I made the proposal of installing the mill at Tempisque. Then I flew to Puerto Rico and got, on incredible financial terms, a modern, almost new sugar mill that was practically untouched. I wanted the Costa Rican private sector to operate that plant, but the businessmen considered the investment dangerous. We did not. So we began building the mill, later deciding to add the distillery because of the results of our in-depth study, which we have repeated many times. The project was begun, but then the elections came along and the Unity Party won. As I have said earlier, that party believed in sugar-chemistry. We continued on, certain that the Unity government could carry on the project enthusiastically. It did not do so, however, and tried to destroy this and all other CODESA projects, just as your editorial that I am referring to still demands. It would seem that the president of the republic receives vibrations that say yes one day and no the next. Sometimes he thinks like LA NACION, sometimes he doesn't. But I am sure that at the very beginning of his administration, judging by the people he chose to direct CODESA and its enterprises, he had already made the decision to destroy them, not to continue them. The only programs that were saved were those in which his friends had direct financial interests.

### Competitive or Protective

"If we do not want to understand what CODESA is, as has happened in this administration, it will be regarded simply as a competitor to private enterprise. But if we understand it as we conceived it originally, we will see that not only does it protect private enterprise, but it creates large national enterprises that will gradually be transferred, in ownership and management, to private hands. Perhaps it will not be in the interests of for-

signers exclusively, or of small national groups, but it will serve the interests of the vast majority of Costa Ricans.

I will cite only two examples of similar institutions in other countries. If we study the operation of the National Industry Institute of Spain, which was founded by the Franco Government in 1941, we see what it has meant to the development of Spanish industry and the remarkable change that took place in its economic structure. Money was lost and may continue to be lost in many enterprises, but the economic and social benefits, and the ultimate political benefits brought about by this change are disputed by no one. We could see the same lesson in studying the National Financial Bank of Mexico, which for decades has stimulated industry in that country. One government can call itself rightist, the other leftist, but in both countries there has been strong development despite passing political ideas, even though the two governments both lost money on certain projects.

### Cooperatives

"The sugarcane planted by CATSA in the Tempisque Valley should be separated into blocks of 500 hectares to be transferred to the ownership of sugarcane production cooperatives (some from the Meseta Central where there is indisputable technology among the peasants, and others in the Guanacaste region, where this technology will soon be incorporated). The irrigation district that results from the Arenal will be designated for this type of project. I spoke with members of cooperatives from the Meseta Central, from Filadelfia, Belen and Sardinal, of the Carrillo district. I spoke several times with Monsignor Arrieta, then bishop of Tilaran, who made the excellent suggestion that I expand the Jimenes Munoz Agricultural Center of Taboga with an agricultural school for peasants. All this program was carried out with the knowledge of the then directors of CATSA and CODESA. We were moving in that direction. The cooperatives would become co-owners of the sugar mill and the distillery, without prejudice to the small, medium and large businessmen of the area, who would also be co-owners. If this program does not strengthen Costa Rican ownership, I don't know what would.

### Costa Rican-style Democracy

"I do not believe in state capitalism. I believe in 'Costa Rican-style' democracy in the economy, as can be seen in projects such as the Montecillos, Dos Pinos, coffee and sugarcane cooperatives. Costa Rica's agricultural industry is its future, and that is what CODESA must work for; not just to serve powerful groups. The LA NACION editorialist can study the transfer of ownership of the Bolsa de Valores S.A., an enterprise formed by CODESA, and ask dozens of Costa Rican businessmen about the purchase of stock in their businesses, the bonds, etc., that in many cases allowed them to progress with their projects. In other cases there has been failure, but that can not be attributed to the concept of CODESA itself, but to the mismanagement of some cases, or the deliberate destruction of others.



## Impulse Halted

"This administration stopped CODESA as soon as it took office. Under the pretext of investigating and reexamining, it halted the initial impulse of vital enterprises in our economic and social development. If the editorialist desires, we can analyse them one by one. But in all modesty, in my experience as a producer, I would like to say that if an enterprise is turned over to someone who wants to destroy it, the easiest way to do that is to say that it will be investigated and reexamined. I am sure that within a year the enterprise will have failed due to the accumulation of financial burdens, administrative disorder and bad faith. If we really yearn for Costa Rican development in our own hands, if we really want success, we should defend CODESA in its original form as a creator of great enterprises that Costa Rican private capital cannot or will not support. Let us bring in foreign financing and technology, but let us not put property in the hands of transnationals so that they can squeeze us and strangle us.

## Enterprises Will Work

"If we put stones in a horse's shoes, we cannot make it run and then scream because it is no good. We should not do the same thing that this government has done to undermine CODESA and sabotage its enterprises. Let us work together to take out the stones that have been put into CODESA; let us return it to its original form, and we will see how its enterprises work.

"Some members of the boards of directors of CODESA enterprises, and of the corporation itself, even members of the Unity Party, understand their job as I have explained it. They are surprised when members of the administration, or the president himself, come out with sharp remarks as in the above-mentioned speech of 19 January. This is an excess of good faith on the part of Costa Rican citizens who have not yet realized that the president says one thing one day and another thing the next; just as he threw the Unity Party platform in the garbage can as soon as he took over. But I'd best not get into that."

8926

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COSTA RICAN TRADE BALANCE DEFICIT WITH CENTRAL AMERICA NOTED

San Jose LA NACION in Spanish 25 Jan 80 p 2A

[Article by Lidiette B. de Charpentier]

[Text] Our country's trade balance with Central America, that is the difference between exports and imports in 1979, resulted in a deficit of \$36.5 million.

That is the highest deficit since the Central American Common Market began in 1960, and it is due to the stagnation of the export sector in the last 12 months.

If we look at just the trade with the other three nations that belong to the market, the deficit amounts to \$47.9 million, of which \$24.2 million corresponds to Guatemala, \$21.5 million to El Salvador and \$2.2 million to Nicaragua.

If Honduras is included, although it is not a member of the Common Market--with that country we had a trade surplus of \$11.4 million--then the deficit is reduced to \$36.5 million.

The total amount of imports was \$213.2 million, while exports reached \$176.7 million. The latter figure was \$100,000 higher in 1978, which reflects "stagnation, a phenomenon we must study until we find the factors that produced it," according to Olmedo Castro, the director of economic integration.

Tradition

Traditionally, Costa Rican trade with other countries in the region has yielded deficits, with an increasingly negative trend. During 20 years of trade, only in 5 years did we manage to overcome adverse circumstances and have a trade surplus.

But in the other 15 years, the deficit has never reached the magnitude it attained in 1979, when there was a difference of \$11.8 million between the 1979 and 1978 deficits.

The figure closest to the 1979 one was in 1971, when the deficit amounted to \$29.6 million. Historically, the highest deficit was with Guatemala, followed very closely by El Salvador. For 10 years our balance with Nicaragua resulted in a trade surplus, and for the other 10 years there was a deficit.

During that same period, our trade with Honduras was definitely favorable, when that nation was a member of the Common Market as well as when bilateral treaties were signed.

Also as a result of a bilateral treaty, there was a trade surplus of \$11.5 million with Panama the year before.

#### Contrast

The director of economic integration indicated that the 1979 figures show a reduction of \$100,000 in the total amount of exports as compared with 1978, and a growth of only 1.66 percent compared to 1977, which in absolute terms amounts to \$2.9 million.

This situation contrasts markedly with that of imports, said the official. Imports rose by \$11.7 million (5.8 percent) in relation to 1978, and by \$45.2 million (26.9 percent) compared with 1977.

Thus, while exports jumped 1.6 percent over 2 years, imports soared 26 percent in the same period.

Looking at the trade by country, it is evident that the greatest problem is with Guatemala and El Salvador, where there is stagnation in the export sector. Such is not the case with imports, especially in the case of Guatemala, in which there has been greater growth this past year than in earlier years.

#### Examination

There is a special situation with Nicaragua as a result of the events that took place in that nation in 1979. Exports as well as imports shrank in comparison with earlier years.

During the first months of the year, until the fall of the Somoza regime, our country was running a trade deficit. That deficit was attenuated due to the falling off of trade that took place between June and August, however.

As of September, trade began to pick up, but even so, there was still a deficit of \$2.2 million.

According to Castro, this negative figure will evaporate if current trends continue.

In conclusion, Castro insisted on the need to undertake an exhaustive examination of the situation, which he called "worrisome." He urged Costa Ricans

to consume more national products in order to balance our intra-regional trade a little.

He recalled that Guatemala recently staged a campaign against the consumption of Costa Rican goods, which may have influenced the final result.

#### Flow

What Costa Rica imports most from Guatemala are medicinal preparations for internal use. That item alone accounted for nearly \$4 million last year. Other important items are extracts, foodstuffs and canned juices, beans, insecticides, and cotton fabric.

Also included are chewing gum, plastic fabric, mixtures and solutions containing camphor and containers that do not use corks.

From El Salvador we import printed cardboard boxes, cotton yarns and threads, toilet soaps, sports shoes, towels, handtowels and rugs, external clothing, large and small beans, cables and other goods. All these items exceed \$500,000 a year.

To those two countries we sell medicines, insecticides, syrups and concentrates, tires and rims, leather shoes, glass containers, crackers, hulled rice, boxes, pots and other containers, and synthetic yarns and threads, primarily.

#### Costa Rica: Trade Balance with Central America (Millions of dollars)

<u>Country</u>	<u>1977</u>			<u>1978</u>			<u>1979</u>		
	<u>Exp.</u>	<u>Imp.</u>	<u>Diff.</u>	<u>Exp.</u>	<u>Imp.</u>	<u>Diff.</u>	<u>Exp.</u>	<u>Imp.</u>	<u>Diff.</u>
Guatemala	53.4	58.6	-5.2	60.9	70.5	-9.6	61.9	86.1	-24.2
El Salvador	47.7	51.4	-3.7	48.6	61.4	-12.8	48.6	70.1	-21.5
Honduras	17.1	9.4	+7.7	21.5	12.8	+8.7	26.3	14.9	+11.4
Nicaragua	55.6	48.6	+7.0	45.6	56.8	-11.2	39.8	42.0	-2.2
Total C.A.	173.8	168.0	5.8	176.6	201.5	-24.7	176.6	213.1	-36.5

#### Preliminary Figures

Source: Monthly tabulations of General Office of Statistics and Census

8926

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## BASIC FOODSTUFFS SHORTAGES DISCUSSED

San Jose LA REPUBLICA in Spanish 24 Jan 80 p 4

[Article by Daniel Madrigal]

[Text] A strange situation is being experienced by the farm production sector of Costa Rica because the "most common products" are frequently in short supply.

The situation in our economy is unquestionably alarming; and while it is paying increasingly higher prices for prime necessity foodstuffs, the goods normally produced in the country must be brought in from abroad.

Examples abound not only in the basic cereals sector--the "disappearance" of which is a common occurrence--but also with regard to eggs. For some years, large quantities of eggs have been brought into the country daily from various Central American countries and now Cuba.

According to a survey conducted yesterday on different farms, Costa Rican farmers said that they are in a position to totally meet the demand; and most of them blame the government for the shortages, as it has been unable to establish its leadership in the farm production sector.

### High Cost of Production

The majority of farmowners interviewed felt that the high cost of feed which must be given to egg-laying hens is not proportionate to earnings.

According to Flor de Maria Arguedas, from the San Martin de Heredia Farm, "We have a problem buying the vitamins needed for the hens to obtain good-quality eggs." She felt that the farmer should demonstrate his concern in a forceful and energetic way, "For if this is not done quickly, no one is going to want to produce eggs and the problem will be worse "

A few, like David Lingworth, from the Roblealto Farm, in San Jose de la Montana, feel that the demand for eggs rose in a disproportionate way, as the price of meat increased. "Many persons changed their menus and substituted

eggs." However, he also acknowledged that one of the principal factors causing decreased supply was "the high cost of raw materials to keep the hens healthy."

#### Price

For some of those interviewed, one of the factors causing the farmer to decrease his production is the change to kilo sales. Jorge Mario Alpizar, from the Santa Rosa Farm, feels that the only one to benefit from this change is the consumer, "as the seller now cannot at any time speculate." "However, in our case, we must increase our outlays for production, as we have to buy scales and increase personnel." "I should also like to point out that the job is being done increasingly more slowly." Mario Zuniga also said that he was angry because this other factor is an example of the lack of incentive the farmers are receiving.

8143

CSO: 3010

## COSTA RICA

### BRIEFS

INTERNATIONAL CRIMINAL REGISTRY—San Jose, 25 Feb (ACAN-EFE)—According to Costa Rican General Immigration Director Jorge Alvarez, the Costa Rican Government now has a "black book" listing obstacles to entry into the country, to prevent the entrance of foreign criminals. According to Alvarez, the purpose of this measure is to protect Costa Rica from a "migrational influx of international criminals." The "black book" includes the names of 12,000 people whose actions are questioned by police in various countries. The lists include terrorists, drug traffickers and other persons considered dangerous, as well as the license plates of aircraft used in international drug traffic. Alvarez explained that the Foreign Ministry's collaboration has been requested to keep the registry up to date. The attorney general's office has also been consulted on the procedure to be followed in cases of persons charged with crimes not tried in Costa Rica. [Text] [PA262353 Panama City ACAN in Spanish 2041 GMT 25 Feb 80 PA]

CSO: 3010

CUBA

**HUBER MATOS CALLS CASTRO OPPORTUNIST, NOT COMMUNIST**

PA280825 Madrid EFE in Spanish 0521 GMT 28 Feb 80 PA

[Text] Caracas, 27 Feb (EFE)--Huber Matos, former commander of the 26 July Movement which overthrew the Batista dictatorship in Cuba, said here today that Fidel Castro is not a communist. Matos, who arrived in Caracas last night, said on a television program that Castro is an opportunist who practices communism for convenience. In an aggressive attack of the Cuban President, Matos labeled him an international criminal and "political gangster" who spreads subversion in the Spanish-speaking countries of America and the Caribbean.

Matos, who was recently freed by Castro after spending 20 years in prison, said that he is close to the groups which promote the return of democracy to Cuba and is very distant from those abroad who play into Fidel's hands. He said that the fate of his country cannot be subordinated to the two large blocs (United States and USSR) but needs a true self-determination based on independence and sovereignty.

After appealing to the Western world to negotiate for the release of the Cuban political prisoners, Matos describes his visit to Venezuela "as the crystallization of a very dear and deep hope in my heart."

CSO: 3010



CUBA

**SOLIDARITY WITH WEST SAHARA REAFFIRMED**

FL282139 Havana Domestic Service in Spanish 2105 GMT 28 Feb 80 FL

[Text] On this fourth anniversary of the proclamation of the Saharan Democratic Arab Republic, Cuba has reaffirmed its solidarity with and support for the people of Western Sahara.

Cuban First Vice Foreign Minister Rene Anillo headed the first Cuban delegation to participate in the Western Saharan festivities that ended today somewhere in the desert. We bring to this commemoration the deep feelings of affection, friendship and revolutionary solidarity with which the Cuban people, their communist party and government share this anniversary. Anillo asserted when he spoke at the main commemoration of the Western Saharan anniversary.

Interrupted several times by shouts of "Hurrah Cuba" in the Hassaniya dialect and Spanish, the official recalled the revolutionary history of the Cuban people and its similarities with the struggles of the former Spanish Sahara. In his speech at the main commemoration of the fourth anniversary of the Western Sahara Republic, Rene Anillo asserted that the maneuvers of the United States and international reaction against the Western Sahara are similar to those experienced by Cuba.

The first vice minister of foreign relations said he is confident that the heroic Saharan people will come out of the struggle victorious to build a modern and revolutionary state which will value internationalism.

Cuba established diplomatic relations with the Saharan Democratic Arab Republic on 21 January last and thus became the 35th state to recognize that nation in arms.

CSO: 3010

**VEIGA EXPRESSES SUPPORT FOR NEW WORKER DISCIPLINE LAW**

FL211129 Havana Domestic Service in Spanish 1100 GMT 21 Feb 80 FL

[Text] The trade union movement supports and pledges to struggle for the correct application of the decree law on worker discipline, which is a first step in the changes that must be made in this type of legislation, Roberto Veiga, secretary general of the Central Organization of Cuban Workers [CTC], has stressed. Veiga, who is also a member of the PCC Central Committee, made the closing remarks at the national evaluation meeting of the Metal Workers Trade Union's 1979 emulation held at the Claudio Arguelles Giron-type Bus Factory in Havana, which was selected to host the event for its meritorious work in 1979 when it fulfilled its production plan by 102 percent.

Veiga stressed that the trade union movement should advocate new labor legislation which would protect the good worker and not cover up for those who behave wrongly or protect the antisocial. The top leader of the Cuban workers stated that absences and late arrivals to work are the acts of indiscipline best known to the work councils, which represent a lack of control in the economic activity. This tends to hide the usefulness and quality of each man.

Roberto Veiga added that no center in which there are violations of the new legislation will receive awards in the socialist emulation, even if it fulfills all economic goals. Emulation still shows bureaucratic traits which impede its true role, he said and added: It has been a mistake to try to solve all problems through it by introducing an excessive number of emulating goals which, together with complex mechanisms of control, have hindered its development.

In this manner the CTC National Committee has decided to reduce to two the goals of individual and collective emulation and to change the designation of frontline workers to achiever of socialist emulation. Thus, as of now, the only indicators of individual emulation are fulfillment or overfulfillment of task or norm, which entails the maintenance of established quality for each type of work and observance of adequate attendance to work as well as being on time with the corresponding use of the workday and good discipline at work.

## FOREIGN MINISTRY STATEMENT ON RIGHT OF ASYLUM

Havana GRANMA in Spanish 29 Jan 80 p 1

[Text] Last Friday, 25 January, all ambassadors from Latin American countries accredited to Havana that observe the right of asylum were summoned and issued a statement by the Foreign Relations Ministry. The statement reiterates the Cuban Government's traditional position that it will fulfill its obligations and comply with the norms established by international agreements which it has signed and ratified. By virtue of these agreements, it respects and will respect the right of asylum.

The Foreign Relations Ministry statement indicated that Cuba cannot be expected, however, to feel obligated to accept and extend the use of this right to common criminals trying to avoid being brought to justice and other people who attempt to use it to leave the country and pressure another country into issuing a visa which would not be granted through normal channels.

In view of this situation, the Government of Cuba informed the diplomatic representatives that were present that: (1) Cuba will fully respect the right of asylum reiterating that in keeping with the strict interpretation and application of that norm, the right of asylum does not include common criminals, deserters or those who, not being subject to any kind of political persecution, try to use this right to leave the country and obtain a visa for another country; (2) Cuba has established immigration regulations which govern the permanent departure from the country and as is well known has abided by them; (3) in no case will the Government of Cuba allow anyone to leave the country who does not meet the requirements for requesting asylum and who has forced his way into any diplomatic mission accredited in the nation; (4) the Government of Cuba also will not authorize anyone to leave Cuba who does not qualify for asylum and who, instead of making arrangements to leave the country through legal means, resorts to the illegal method of appearing at a foreign diplomatic mission even though they did not force their way in.

In closing, the statement expresses the confidence of the Government of Cuba that it will have the understanding of the diplomatic missions accredited in Cuba in its efforts to end these violations of the right of asylum and Cuba's immigration laws which also represent some danger to the security of the diplomatic missions.

**CIVIL DEFENSE EXERCISE: REHEARSAL FOR ENEMY BOMBING ATTACK**

Havana VERDE OLIVO in Spanish 3 Feb 80 pp 34-39

[Article by Pastor E. Cabrera: "Civil Defense at Scene of Disaster"; passages enclosed in slantlines printed in boldface]

[Text] It seemed real. If someone had suddenly arrived without knowing about it, he would have believed that enemy aircraft had destroyed the textile factory under construction in Santiago de Cuba.

It was a DC [Civil Defense] exercise to demonstrate how the training units--health brigades, rescue commands, fire-fighting units, mechanized units, repair units, etc.--carried out their urgent work during a disaster.

In this case, a bombing attack was simulated but it could have been an accident--fire, explosion, etc. The point was to practice first aid for the wounded, rescue those who were trapped by cave-ins, extinguish fires, repair energy networks, etc.

The DC training units in Santiago de Cuba and Palma had to demonstrate their preparation and skill in the fulfillment of assigned missions and situations that could occur.

When preparations began days earlier, the DC informed the people of Santiago de Cuba through the mass media that this practice exercise would take place.

When the time came, the beginning of the exercise was announced as follows:

"Attention. Practice exercise. Air-raid alarm for Santiago de Cuba. The DC is carrying out a practice exercise."

Then the strident sound of the sirens was heard throughout the city.



Jets appeared over the textile factory. There were loud explosions and large columns of smoke and raging fires shot up in different places. With each pass of the airplanes, there were new explosions and more fires.

The detonations of DAAFAR [Antiaircraft Defense and Revolutionary Air Force] units answering the "enemy" attack were also felt.

After the airplanes left, a voice was again heard over the loud-speakers:

"Attention. End of the air-raid alert for Santiago de Cuba."

The explorers' work began immediately. They toured the bombed area on motorcycle and on foot. Each explorer reported the results of his tour to his chief who immediately reported the situation to the chief of the Group of Forces. He then gave the appropriate orders to the chiefs of the different training units. Right after the chiefs left to fulfill their missions, the units appeared and the urgent repair work began. The rescue commands from Santiago and Palma arrived at the same time. They got out of buses and trucks, deployed without losing any time and, following the schedules outlined by their chiefs, transferred the wounded to the Medical First Aid Detachment.

Meanwhile, the rescue commands used cranes, picks and shovels to move the debris and rescue people trapped in tunnels and holes.

The fire-fighting commands quickly extinguished the most dangerous fires and continued until all the fires were out in that entire extensive area.

At the same time, the electricians of the repair brigade restored the lights.

Everything was fast. The members of the DC of Santiago de Cuba demonstrated their preparation and skill to the leaders of the party and the government and chiefs and officers of the FAR [Revolutionary Armed Forces] who watched the exercise.

Then the chief of the provincial DC, Eddy Fernandez Boada, gave a speech to the trained troops. He congratulated them on their conduct, their demonstrated ability and the successful exercise. Then he exhorted them to continue training for the defense and protection of the country.

## During the Exercise

Many DC soldiers distinguished themselves. There is a long list of names and there could be an almost unending list of exemplary deeds also.

/Juan de la Guardia/ is a second lieutenant in the reserve and municipal DC officer. He was in charge of the simulation. He did not talk about his personal work but that of the members of the brigades that were in charge of simulating fires and producing smoke. He said that Alvarado excelled in the direction of eight fires and trained his personnel well without omitting a single requirement. For that reason, his group excelled.

He explained how a brigade of 14 students from the Papito Tey Technological School maintained a vanguard position in the creation of smoke. "They did everything that the command assigned to them on time and well. It was impossible to select a vanguard person from the group. They demonstrated that they all worked well and they used the occasion to show that they could be counted on as often as necessary for whatever the command felt was pertinent."

De la Guardia explained in detail how the female comrades who pretended to be wounded maintained a distinguished position. "They were spread out in the sun. Since they were supposed to be wounded, they had to lie there as long as necessary without moving. Since the first practice, their attitude has stimulated us all. It is necessary to mention one comrade, Iris del Toro. In spite of being pregnant, she participated in the exercise even though we tried to stop her. She not only participated but maintained a vanguard position the entire time."

/Vicente Cabilla Agüero/ is chief of the forces that participated in the disaster. He said first that success lay in the realization of a good collective job and that the chiefs of each command excelled. When he mentioned the Palma Command, he indicated that it distinguished itself from the beginning--in the practices--until the end. "They were the first to arrive in spite of coming a long way."

Then Vicente Cabilla said that it was necessary to mention /Reinaldo Cardona Corral/, chief of Command One. "He always had great control over his forces and quickly won the respect and love of the troops. It is also necessary to mention the chief of Command Two, /Diógenes Villalón/, he continued. "In spite of initial problems, he managed to unite his command and attain the highest percentage of attendance. The success of the exercise is due to the attitude of comrades like these."

He also said that the explorers did very good work. "It is a small unit but all these comrades are very disciplined and very serious."

He continued: "It is difficult to select a distinguished person among the members of the Mechanized and Fire-fighting Brigades. The fundamental characteristic of their work is that it is done as a group. The same thing can be said about the Electrical Brigade. Its members repaired the electrical system, demonstrating mastery and great skill at that difficult time in spite of the fires.

"The chief of the Fire-fighting Brigade rescued a comrade who was trapped in a crane 20 meters up."

#### More Names

The Political Section of the municipal DC announced the list of distinguished participants. Their comrades applauded and congratulated them. Here are some names: Luis Rodriguez Nunez of the Mechanized Command, Daisy Montane Castillo of the Health Brigade, Luis R. Crescen of Command Two, Sergio Odolin of Command Four, Julio Pereira Suarez of the Palma Command and Rene Cresens Silva, an ambulance driver.

#### Two Opinions

At the end of the disaster activities, Maj /Francisco Reyes Herrera/, chief of staff of the DC in Santiago de Cuba Province, stated that the great effort made by the members of the training units and the personnel selected as simulators was praiseworthy. He said: "In my opinion, the women played a heroic role. In spite of their natural problems, their participation was correct, enthusiastic and very active."

He also pointed out the activities of the rescue commands and the fire-fighting squads of MININT[Ministry of the Interior] and the role of the officers appointed by the National General Staff of the DC in the preparation and organization of the disaster. He continued: "The provincial services for provisions, uniforms and transportation also played an important role."

Maj/ Jorge Peguero Morales/, chief of combat training of the National General Staff of the DC, stated in a brief interview:

"The disaster activities as well as the work of the personnel who participated went according to plans. Therefore, they fulfilled the objectives for that activity which permitted them to be qualified as /good/.

"There were many distinguished attitudes that contributed to the success like the support to the exercise given by the leadership of the enterprise that is constructing the textile factory in Santiago de Cuba."

# JUNIOR MILITARY CADETS GET COMMUNIST 'ATTITUDE' TRAINING

Havana VERDE OLIVO in Spanish 3 Feb 80 pp 40-43

[Interview with Lt Col Pablo Cabrera Milian, chief of EVMCC, by Almeida Baro: "Prepare for Life"]

[Text] It is interesting to work with the new generations. The commander in chief said: "To educate means to prepare for life, to understand its essence, so that life is something that always has meaning for man and is a constant motive for effort, struggle and enthusiasm."

Precisely for that reason, we wanted to know how the Thesis and Resolution on Educational Policy approved by the First Congress have been carried out in the EVMCC [Camilo Cienfuegos Military Vocational Schools] of the Central Army: "To make the formation of a communist attitude toward work, social property, study and society the center of education...."

We toured the classrooms, laboratories, libraries, recreation and amusement centers, sports areas, etc., to verify the development of these centers. Then we talked with teachers and students.

This new generation, the Camilitos, is stronger at the beginning of this fight for integral training. This process is not exempt from difficulties which the chiefs, the teachers, the party, the UJC [Union of Young Communists] and the FIEM [Federation of Middle School Students] of the center now analyse critically with renewed spirit. We requested an interview with Lt Col Pablo Cabrera Milian, chief of the Army EVMCC Section.

Question: The first semester of the 1979-80 school year is over. What problems have there been in the educational process?

Answer: I do not think that we have completely mastered the evaluation system or exploitation of the individual study program. We



must increase educational demand for time for individual study through the systematization of schoolwork. Also we have not managed to completely involve all the school personnel with the tasks related to the military education of the students.

Question: Have the planning, organization, evaluation and supervision of the educational process reached the requirements that the superior organizations demand of these schools?

Answer: There have been considerable achievements in those aspects, principally in the present school year, which have increased experience and unity. In the last school year, the centers in Matanzas and Sancti Spiritus qualified as "good" in the general inspection made by the EVMCC Office. Planning, school organization, evaluation and internal supervision were important in this. This year only the one in Matanzas was inspected; it maintained its "good" rating.

Nevertheless, let me explain that there are problems in each one of the aspects you mentioned. We will confront them and solve them as we detect them.

Question: How do you evaluate the academic results obtained by the students at the different levels of the Central Army schools?

Answer: The results so far have been encouraging and higher than those in the same period last year as to school promotion and retention. Almost all the students who have not been promoted have a single weak subject. Hard work is done in order for them to conquer the objectives where there have been problems. We are sure that many of them will be promoted at the end of the first semester.

Question: What are the most notable tasks in order to achieve a high intellectual, scientific-technical, political-ideological, physical, moral and aesthetic education for the students?

Answer: The annual educational plans for the schools include a great variety of activities and ways to achieve integral education for the Camilitos. The composition of the study plans, the content of the daily schedule, the educational and extracurricular activities, participation in visits and excursions to places of historic, artistic and recreational interest and vocational training and professional orientation lead to a satisfactory level of intellectual, scientific-technical, political-ideological, physical, moral and aesthetic development in the students.

Question: What critical aspects are there in the formal education of the students?

Answer: I first want to tell you that there are considerable achievements in formal education. The discipline in our centers

has improved but there is still some behavior that affects this important aspect like incorrect use of the school uniform outside the building and lack of compliance with the rules of military courtesy. There is hard work to eliminate these problems with the support of the organizations of the UJC and the FREM, keeping in mind that the Carillito must set an example in discipline and conduct in school as well as outside it.

**Question:** What can you tell us about vocational training and related activities this school year?

**Answer:** Vocational training and professional orientation are carried out in a number of ways like courses in military training and physical-military training, military clubs, orientation by the military education centers in specialties of the FAR [Revolutionary Armed Forces] and activities related to regulations.

The results of this work can be seen in the decrease in drop-outs this year. However, we will only have a complete idea of effectiveness if we achieve 100-percent enrollment in the higher education centers to which students who finish preuniversity studies have been assigned.

**Question:** What is the promotion rate in the course on Marxism-Leninism?

**Answer:** Before answering that question, I want to point out that our schools have acquired some experience in Marxism-Leninism education but it is still necessary to make a great effort to improve the technical and methodological skill of the teachers in charge of that important course. This school year the requirements as to content have become harder in accord with the improvement of the national education system.

The results have been highly satisfactory so far and I can tell you that this has been the course with the best achievements. It has 100-percent promotion in the schools in Matanzas, Sancti Spiritus and Villa Clara.

**Question:** Does the material, technical and scientific base insure a high educational level?

**Answer:** Definitely from the objective point of view since our centers are what could be called the new type. They have laboratories for basic sciences, sports fields, gymnasiums, classrooms for military training and for learning Russian, a documentation center and audiovisual equipment. (I must explain that some of the above are still under construction or assembly.)

The objective part is taken care of but there are still the subjective elements like planning for the rational use of the installations, the effectiveness with which each professor uses them in his classes, supervision and demands by the leadership personnel at the different levels, the creative initiative of the teachers to develop study materials, etc.

There are even problems concerning the direction in which our work should go to achieve optimum exploitation of the great potential of the educational resources.

Question: The family is a principal link in communist education of youths. Have the parents responded to the tasks assigned to them?

Answer: The parents are one of the most important forces in the achievement of the objectives established by the Ministry of the FAR and the Ministry of Education. School councils were formed at the beginning of the school year in which they play an important role. The work quotas have been met and we have achieved good participation by parents in the fundamental tasks. These include support for activities to increase school efficiency, punctuality in returning to school, retention, etc. I feel it should be pointed out that the EVMCC in Sancti Spiritus stands out for the excellent work done by the parents.

The interview came to an end. We said goodbye and that we hoped that when we visited these schools next semester, they will have eliminated the problems mentioned while maintaining the levels of promotion, quality and retention.

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## CUBA

### FOOD EMBARGO TERMED IMPERIALIST BLACKMAIL

Havana JUVENTUD REBELDE in Spanish 28 Jan 80 p 4

[Article by Jesus Suarez Moreno: "Food and Imperialist Blackmail"]

[Text] While over 4 million people in the world are starving or suffering from malnutrition, one of the major agricultural producers pursues a food policy that is in keeping with its imperialist domination goals.

The United States plays a major role in the production of grains, a basic source of protein, which it uses as an economic and political weapon primarily against the importers from the developing nations or the so-called Third World.

A recent example of that offensive practice used in international trade is the current U.S. economic boycott against the USSR in reprisal for the Soviet internationalist aid to Afghanistan.

Not only did Washington unilaterally decide to cancel the planned sale of grain to the Soviet Union, an action also harmful to U.S. farmers, but it also began talks with its allies in Western Europe and other parts of the world to convince them to support its policy.

At this time the objectives of the food dealers are condemned to failure from the beginning. As some observers have pointed out the Soviet economy is too strong to feel any effects from this aggression.

The Yankee's intimidating and arrogant attitude is not exactly something new. The history of U.S. "foreign aid" has many secret pages and some not so secret.

In the middle of this century, the United States increased its shipments to specific strategic underdeveloped areas where it was necessary to bolster or expand its influence. Under what it euphemistically called an "aid program," which places conditions on the extension of credit, the targeted country gradually became economically and politically dependent on the United States.



An example of this which troubled the world was Bangladesh. In 1974 this Asian nation sold Cuba \$3 million worth of jute sacks. As a result, the United States Government stopped food shipments to Bangladesh which is an exceedingly poor country.

This criminal blockade coupled with the cyclones and floods that hit later that year led to widespread starvation and many deaths. That is how the United States "punished" Bangladesh for its political audacity to violate the Yankee embargo of the Caribbean Island.

In Latin America we have the case of Chile. During Salvador Allende's Popular Unity Government, U.S. politicians called for and obtained reductions in loans and trade with Chile. Shortly after the fascist coup ships flying the U.S. flag were allowed to enter Chilean ports and soon "aid programs" were restored and expanded to help the Pinochet regime.

### The Food Crisis

One out of every three persons suffers from hunger and two out of every five are undernourished in this modern day and age.

At least 30 percent of the people from underdeveloped nations, which constitute two-thirds of the world's population, are affected by food shortages and nearly 60 percent do not receive adequate nutrition, according to a survey prepared by the FAO.

These figures are merely a summary of how serious the food shortage is which affects everyone. It is known that hunger and inequality are the permanent roots of conflict, of that revolutionary violence which the imperialists, the exploiters, fear.

But it is the imperialists who have aggravated the crises by consuming the world's nonrenewable resources and through their growing control over the international food trade, to mention two basic causes.

There is no question that the matter is complex. The modest 4 percent increase in food production that was planned for the last decade was not met and this could result in more poverty and hunger in those countries with limited revenues.

The population explosion is another result of underdevelopment. And it is necessary to achieve agricultural development as part of overall growth.

The so-called Third World, despite undeniable albeit limited progress, is faced by single crop economies, limited revenues and inadequate technical development which keeps it from rapidly developing its agricultural production and makes it more and more dependent on the developed nations.

In view of this situation there is greater cooperation among the industrialized capitalist nations, most of which have an agricultural production capacity, and underdeveloped nations.

In contrast, the developed socialist nations work to create assistance funds for the Third World nations, participate in joint agroindustrial programs and provide experts in advisory capacities.

The inequality characteristic of today's international trade relations is becoming worse as the capitalist powers face their problems of inflation by exporting them to underdeveloped nations through the use of protectionist measures, raising the price of goods, such as food, that are basic to human survival.

Just think what the United States could do with its economic power not just for the underdeveloped nations but also for all the nations of the world, including themselves, who see their very future in danger because of the growing imbalance between production and agricultural production and the diminishing available reserves due to indiscriminate consumption.

As a result of this present course, there can only be a resurgence of international tensions which are detrimental to world peace.

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## CUBA

### SOVIET TECHNICIANS WORKING ON CUBAN ARCHEOLOGICAL ATLAS

Havana GRANMA in Spanish 30 Jan 80 p 3

[Text] Sierra de Cubitas (Camaguey) (AIN)--A team of Soviet experts has just completed a tour of the hieroglyphic area here and several sites belonging to the aborigine habitat as part of the work being done on the Archeological Atlas of Cuba.

The team is composed of Ruslan S. Vasilievsky, a PhD in historical science and assistant director of the Academy of Sciences Siberian Institute of History, Philology and Philosophy, and Vyacheslav I. Molodin, a PhD candidate in historical science and a researcher at the Institute.

The two men provide the foreign technical advise for the Atlas--a quantitative and qualitative analysis of the nation's archeological potential--which will be the first of its kind in Latin America.

Before ending their stay in Camaguey and continuing on to Holguin, they plan to visit the ruins of the Santa Isabel del Castillo mill which are alongside the road leading to Santa Lucia Beach. Because of their importance, plans have been made to build a sugar industry museum here.

The Soviet experts praised the scientific precision and the seriousness with which archeology is practiced in Camaguey. In this respect, they agreed with the theory that the inhabitants who painted the pictographs in the caves around Cubitas lived in the coastal valley to the North and that they used the natural canyons through the mountains when they traveled.

The theory was developed by Jorge Calvera and Roberto Funes, members of the Archeological Work Group of the Cuban Academy of Sciences Territorial Delegation in Camaguey-Ciego de Avila.

Vasilievsky and Molodin visited the "Cave of the Generals" where significant examples of primitive art regarding the Spanish conquest and colonization have been virtually destroyed despite repeated warnings about their preservation.

When asked about this, Dr Vasiliesky spoke of the need to undertake the necessary steps to prevent the deterioration of these examples of Cuba's cultural heritage.

Vasilievsky and Molodin earlier visited Pinar del Rio. They are in Cuba as a result of a cooperation agreement between the Cuban and Soviet Academies of Science. They are accompanied by Lourdes Dominguez, head of the Department of Archeology of the Cuban Academy of Sciences Social Science Institute.

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## CRIMES, MALFEASANCE, SHODDINESS REFLECT ECONOMIC CONDITIONS

### Butchers Swindle Customers

Havana GRANMA in Spanish 22 Nov 70 p 3

[Text] Havana--(AIN) [National News Agency]--The inspections carried out in the City of Havana of 38 butcher shops located in the municipalities of Plaza, Guanabacoa, San Miguel del Padron, 10 de Octubre and La Habana del Este were recently publicized by the press.

During the inspections it was discovered that in 21 of the butcher shops visited there were irregularities, most of which are crimes which were reported to the competent authorities.

As a result of this action, the transgressors are already being tried. In the People's Municipal Tribunal of San Miguel del Padron four butchers have been tried, all of them found guilty of cheating consumers under the new Criminal Code.

The accused, Julian Diaz Lorzabal, Wilfredo Nunez Vera, Gilberto Padron Oviedo and Reinaldo V. Amparo Arias, had for some time been swindling their customers in a similar manner.

Julian Diaz Lorzabal, in the case of some customers, sold second-grade meat instead of the first-grade meat that they were supposed to have and charged them the price set for first-grade meat, while Wilfredo Nunez Vera shortweighted consumers who bought their meat in the shop he worked in.

The court sentenced the accused to 6 months' imprisonment and a fine.

These cases constitute a response to persons who, like those sentenced, attempt to harm the population with their criminal actions.

The joint action of the Ministry of Domestic Trade, the People's Government, the courts and the Office of the Attorney General of the Republic, will continue to see to it that those who have the obligation of rendering service to the public comply with the laws or otherwise receive the appropriate punishment.

Since this can occur any other place in the province, we only want to point out the facts.

The laws of the Revolution will be strictly applied against all signs of embezzlement or illegal appropriation of products that belong to the people.

The people should always be on the alert in demanding the full weight of their merchandise and be on the lookout so that such things do not occur.

#### Fish Shops Swindle Customers

Havan JUVENTUD REBELDE in Spanish 25 Nov 79 p 2

[Text] Criminal activity was uncovered in 21 of 30 fish shops (blue) inspected in the week 5-11 November; in 5 of the remaining shops the verification of the money in their cash boxes revealed discrepancies.

The establishments belong to the provincial fish enterprise of the municipalities of La Haban Vieja, Centro Habana, Plaza, Boyos, Díez de Octubre and Cotorro.

Among the irregularities detected were: overcharging, short weight and delivery of merchandise to persons who were not authorized customers of the establishment.

The 21 persons responsible for these criminal actions which directly harm the population were turned over to the competent authorities of the Revolutionary National Police for processing by the courts; the management of the enterprise will, for its own part, take the appropriate administrative measures.

#### Workdays Wasted in Agriculture

Havana GRANMA in Spanish 24 Nov 79 p 1

[Article by Marta Jimenez Almira]

[Text] The first national assembly of the Organization of Labor and Wages of the Ministry of Agriculture took place yesterday in the Rancho Boyeros Agriculture and Livestock Fair in the City of Havana, with attendance by 300 delegates from the entire country.

The meeting--over which Rafael Francia Mestre, minister of agriculture and member of the Central Committee of the party, presided--was closed by Oscar Fernandez Padilla, minister president of the State Committee for Labor and Social Security, who made an analysis of the critical aspects which hinder effective utilization of the work force in this important sector of the economy.

## Grocery Manager Fired

Pinar del Rio GUERRILLERO in Spanish 24 Nov 79 p 1

[Article by Nieves Enrique Gigato]

[Text] Efrain Saavedra Perez, a resident of Polvorin St, has been permanently fired from his post as manager of grocery store No 721-64, El Caballo Blanco, located on Velez Caviades and Maceo Sts, Pinar del Rio, according to an announcement made by the managers of the Food Products Enterprise of this municipality.

The reasons for the firing have been made known to the competent courts. On 12 November at 0630 hours, 6 lbs of coffee were seized from Efrain inside the grocery store he managed.

According to the inspection report the grocery store unit was provided coffee on 10 November for the 2,019 consumers it serves with instructions that it be put on sale on 12 November.

On 10 November Efrain stated that he had an unsold surplus of  $\frac{1}{4}$  lb of coffee. However, during the inspection on Monday 12 November the 6 lbs of coffee he was keeping back were found.

But Let's See Something More...

From January to October Efrain had declared as unsold surplus 4 lbs of coffee broken down as follows: in January,  $\frac{1}{4}$  lb; in April,  $\frac{1}{4}$  lb; in May,  $\frac{3}{4}$  lb; in September,  $\frac{1}{4}$  lb. No surpluses were declared for the other months.

After the inspection, according to reports provided by the Pinar del Rio Coffee Roasting Plant, this same unit on 19 November declared a surplus of 1 and  $\frac{1}{4}$  lbs of coffee.

Now, Let's Analyze Another Situation

According to figures of the Coffee Roasting Plant, from the area in which El Caballo Blanco grocery store is located, the delivery truck took to the warehouse a surplus of 4 lbs of coffee in the first week in November. On the 12th, the day on which the inspection was carried out 7.5 lbs were declared and the next week, on the 19th, when the grocers already knew that the sale and control of coffee had been inspected, 18.75 lbs were reported.

We Are Not Going To Say That All, But...

From the above, one can figure that something is not right in the distribution of coffee in the above-mentioned area. It would not be fair to place charges against all grocers, but the facts show that the "alert" of the inspection got results.

Fernandez Padilla also offered his congratulations on the outcome of the meeting and the report that was discussed there.

The assembly began with the opening speech by Orlando Gutierrez, vice minister of human resources of the Ministry of Agriculture, and was immediately followed by reading and discussion of the report which covered the negative and the positive aspects of this activity.

Among the negative ones are: poor use of the working day, inadequate application of standards and methods already established, lack of correspondence between productivity and average salary, problems of work safety and hygiene and others.

On the other hand, the achievements cited were: the writing of many documents on methodology and the favorable prospects for working out better organizational patterns for labor and wages although their speedy application is necessary.

The report includes items dealing with the linkage of work norms to wages, wage costs in relation to weight of gross production, planning for the organization of the work, level of fulfillment of norms and a complete analysis related to research as well as a broad range of measures to attempt to solve the serious problems which are faced in this activity.

Rene Penalver, secretary general of the Agricultural and Livestock Workers Union made a special speech at the meeting and stressed the union's desire to render the maximum amount of assistance in the application of measures adopted.

#### Embezzling in People's Government

Pinar del Rio GUERRILLERO in Spanish 29 Nov 79 p 1

[Text] The special assembly which met on Saturday, 24 November 1979 at 1700 hours in the municipality of Vinales ratified a resolution of the executive committee which provided as follows:

Agreement No 174: The Municipal Executive Committee, after having reviewed the situation brought about by Luis E. Martinez Torres, through his embezzlement of state funds, using his position as Municipal Director of Work of the People's Government, agrees:

- a) To propose to the municipal Bureau of the party the dismissal of the comrade as director of that body.
- b) To propose his recall as member of the Municipal Executive Committee.
- c) To propose likewise his recall as delegate of the Provincial Assembly of the People's Government.



d) To propose in accordance with the regulation his recall as a delegate to the municipal assembly following the procedures prescribed by the Electoral Law.

e) To call a special session of the Municipal Assembly for the ratification or the rejection of this agreement.

In this case, as has been decreed, the procedures prescribed by law will be followed in the punishment of this crime.

#### Violations in Butcher Shops

Havana GRANMA in Spanish 4 Dec 79 p 4

[Article by Jesus Mena]

[Text] The Ministry of Domestic Trade disclosed yesterday in a press conference that the Revolutionary Tribunals have already tried 9 butchers from the 21 butcher shops [where irregularities were found] out of the 38 shops which were inspected on 6 and 7 November, in the municipalities of Plaza de la Revolucion, Buanabacoa, San Miguel, 10 de Octubre and La Habana del Este.

The sentences were 4 months of imprisonment in one case, 6 months in seven others and 9 months in the remaining case.

The Domestic Trade Ministry adds that in continuation of this program, 34 establishments of the food retail net have been inspected, this time in the municipalities of Cerro and 10 de Octubre. Irregularities were discovered which are to the detriment of the consumer, such as short weight of the products and charging more than the established price.

As a consequence of the violation of the current regulations, seven persons from these units were turned over to the appropriate authorities.

Yesterday, according to what was reported, and as part of the program which is being carried out for this purpose, 11 persons were tried in the municipality of 10 Octubre; 9 of them from the industrial products units. The sentences range from fines to house arrest. Prominent among the violations committed is the sale of regulated articles to other than authorized purchasers.

During the meeting--over which Adonis Sarmiento, vice minister for domestic trade, presided--it was also revealed that the Ministry of Domestic Trade in coordination with the management of the commerce sector of the People's Government and with the Economic Police in the City of Havana has been working for several months on the inspection of retail establishments of the province.

These inspections will continue to be made, it was said, in all the municipalities of the City of Havana and other provinces of the country, and the people, who will be kept informed as to the results, should be on the alert so as to collaborate in identifying the violators of the provisions and regulations which protect the consumer.

### **'The Battle Against Crime'**

Pinar del Rio GUERRILLERO in Spanish 6 Dec 79 p 1

[Article by Edmundo Alemany]

[Text] "If there is need for a battle to be waged on all fronts, then in matters related to crime we have to be uncompromising and we have the policies, the laws and the mechanisms to repress, punish and prevent such incidents," Roberto Hernandez Mosegui, member of the Executive Board of the party, stated in the closing session of the recently held Second Provincial Rally in the Battle Against Crime.

Hernandez Mosegui emphasized that the party is asking MININT (Ministry of the Interior), the courts and the Office of the District Attorney to be strict in carrying out their duty in regard to crime, that they not go to extremes but that they also not be permissive.

The member of the Executive Board of the party said that the problem of traffic accidents make it necessary that more concrete measures be taken and that there be stricter control to insure that such occurrences be reduced.

He pointed out that in practice it has been determined that weekend driving of automobiles has caused an increase in the number of accidents whereas it has been proposed that they should be in their parking areas. He also stated that the consumption of fuel for weekend driving has increased.

He mentioned the need for strengthening physical security in every government agency and said that the guards of the Committees for the Defense of the Revolution once again must function as they did in the early years of the triumph of the Revolution: 24 hours a day.

He called upon all provincial and municipal bodies of the People's Government to ponder the problems which crime causes for the economy.

"The party asks each one of you to consider what we must do to insure our attainment of the lofty goals Fidel and Raul set for us from the moment of birth of our nation," he concluded.

In the course of the rally, Fernando Ayuso Ruiz, as president of the Provincial Committee in the Battle Against Crime, read a report which lists the achievements and deficiencies during the July-September 1979 quarter.

The report evaluated the increase during that period of criminal activity in general, an increase of 8 percent, as compared to the same period in 1978, crimes against property and against the economy increasing most significantly.

This increase is due to a decrease in vigilance in guarding the economic targets of crime, principally those that are located in suburban and rural areas: warehouses, lunch rooms and stores, areas into which crime has moved since the end of last month.

The report points out that an important aspect to bear in mind for future analyses is the lack of proper financial control in enterprises and activities covered by the budget which, together with the lack of the necessary number and quality of supervisors and auditors permits most of these irregularities in the above-mentioned activities to go undetected.

Among the agencies and enterprises most affected by these factors are the Ministry of Agriculture, the enterprises of the People's Government, especially commerce and restaurants, and the ministries of construction and domestic trade, which together accounted for the following percentages of the crimes which took place in government agencies: 57.9 percent of the robberies; 59.6 percent of the thefts; 40.9 percent of the property damage; 45.5 percent of the failures to meet requirements and norms; 47.6 percent of the abuses in the exercise of authority; and 78.9 percent of the embezzlements.

In a report given by Ayuso Ruiz it was disclosed that there was a reduction of 14.4 percent in recalls of cases in the preparatory stage, also that less than 20 percent of the proceedings referred to the Attorney General's Office were stayed as against 40 percent in the same period in 1978.

With regard to cases brought to trial, it was pointed out that sentencing rose from 69.5 percent in 1978 to 83.7 percent for a similar period in 1979 and it was pointed out that for the crimes of robbery and theft, sentences were imposed, respectively, in 96 and 85.1 percent of the cases.

The commission stressed above all in its report everything related to traffic accidents which, in spite of a decrease of 49, as compared to the previous period, caused two more deaths and 31 more injuries, thus slightly increasing the danger.

The principal causes of these accidents were speeding, insufficient attention to the control of the vehicle, and not obeying right-of-way, and, to a lesser degree, the presence of animals loose on the highway and the movement of tractors.

The agencies most affected by traffic accidents were: Transport and the ministries of agriculture, construction and sugar.

As for the negative effects on the economy of violations of Law 12 regarding the establishment of wage scales, the report detailed the discrepancies which were detected with regard to salaries in government enterprises and agencies where measures were immediately taken to replace the officials responsible for them.

The commission proposed a series of measures tending to improve even more the working mechanisms in the battle against crime.

The report states that progress is being observed in the implementation of the battle against crime and that the tendency toward a decrease in the indices foreshadows good prospects for the coming months.

### Mass Rejection of Seedlings

Pinar del Rio GUERRILLERO in Spanish 6 Dec 79 p 1

[Article by Rafael Cao Fernandez]

[Text] There are facts that demonstrate that the bulk of proletariat marches on, unified and firm. There are facts that show that many workers have ceased to regard our high standards as mere rhetoric but have converted them into daily work tools. In the Evelio Rodriguez Curbelo High Productivity Detachment, which works on the farms of the Antonio Briones Montoto Tobacco Enterprise in Pinar del Rio things have been taking place to counteract negligence, shoddy work, indolence and other factors which conspire against our agriculture.

But.... What happened in Briones, specifically in the seed beds? Wilfredo Villafranca, chief of the Detachment, tells it all from the beginning: "From the time when we arrived at the enterprise and organized the brigades and became involved with the farm plots we have been meeting with the ~~members~~ of our detachment. We have talked about our experiences in previous years and everyone, to a man, agree that the quality of the work is our reason for being here. Thus we got to work and thus it was that we got to know, through the brigade chiefs, the initial deficiencies which were cropping up and which were already a threat to efficiency, productivity, and the eventual quality of the harvest."

Was This the Case With the Seedlings?

"Yes, we noticed that there was no uniformity in the seedlings, and besides there were other troubles, because the seedlings were also damaged. We went to the seed beds and personally confirmed that it was in pulling out the seedlings for transplanting that supervision was not of the highest quality. Officials of the enterprise who went with us also recognized that poor work was being done. The person who sets the standards and the chief of the seed beds were spoken to and we ascertained that the standards established for the different types of transplanting varied. To show you



what poor work was being done in the seed beds, I can tell you that in one day alone our brigades rejected 120,000 seedlings. Imagine what this means! The brigades which did not plant those seedlings were Nos 1, 2, 5 and 8. I am telling you so that you will know that we write all these things down."

#### Was Everything Corrected?

"No. This is not something that can be done in one day. Later we kept visiting the seed beds. To meet high standards is not something that can be done in one day because there are people who believe that all is just a passing phase, and this is a serious problem. We have even had to reject seedlings again after the measures were taken. Moreover, within the limits of our capabilities we have taken the initiative of pulling out our seedlings for transplanting and we already have good results, for brigade No 2 was able to reduce replanting to 3 percent. This figure is one that had not been considered in setting the norms, for it had never been achieved."

#### What Other Conclusions Have You Reached?

"All this shows us that Instruction No 68 should also have been applied to the seed beds, because, like the farm plots they constitute a basic production unit. We know that studies are being made for linking them together but I think we are going to throw the machete at the snake after it has gone by. It is necessary to link in the work in the seed beds because in tobacco it is all continuous and a good seed bed is indispensable for yield and quality.

"The seed beds should be included in the productivity bonus payment. In this way everyone will meet the standards and we will not have to reject seedlings."

#### And So Long As This Is Not Done?

"It is my opinion that those who are responsible for the pulling should take the necessary measures against those who do shoddy work. If those who are responsible do not perform that duty, they too have an immediate supervisor who should be held responsible. That is, the whole structure has to be reviewed and the bad parts eliminated because otherwise the building will continue to fall down and one must prevent it from falling; that's what labor laws and administrative provisions are for which separate poor officials from their jobs."

Wilfredo and his comrades are doing their job. They not only work, they also set standards. They single out those who pull the seedlings improperly, mistreat the pulled plants and ruin the beds ahead of time; those who see this happen and let it pass; and those who have become accustomed to tolerating negligence. To deal with all these matters the leaders

of the detachment team meet with people from the farms and districts. One of the conclusions Wilfredo arrived at is that in the detachment there should in the future be experts in the pulling of seedlings, that this can be achieved as other things have been achieved in these collective farms which have become the greatest exponents of tobacco productivity and which are now also hoisting the flag of high standards in the tobacco plantations.

(Instruction No 68 regulates the payment of a bonus for work productivity.)

### Butcher Shop Swindling Explained

Havana JUVENTUD REBELDE in Spanish 9 Dec 79 p 2

[Article by Marcos Alfonso]

[Text] New faces always attract attention. And this is what happened with the people of the Virgen del Camino neighborhood when they saw a different face behind the counter at the butcher shop.

Reynaldo V. Amaro Arias filled in for a colleague on vacation...and the consumers of the area expected to receive the usual friendly and respectful treatment but sometimes things do not turn out as one expects them to.

Reynaldo did not finish up the month in the butcher shop. After 20 days he was found to be in repeated violation of the regulations established for the sale of meat. Tried in court, he was sentenced to 6 months' imprisonment and a fine.

Second-grade meat was sold as first-grade meat—at an additional profit of 11 centavos per pound; he gave short weight, the remainder being placed later on the black market at highly inflated prices; in the end mistreating the public.

The mass media have recently published news about a group of butchers caught in the act of cheating the public in the sale of meat.

These persons, lacking social conscience, never considered the children, older persons or sick people that they were harming with such acts. They were not capable of seeing themselves in every customer who had been cheated.

This was what happened with Reynaldo, one of the 21 cases detected.... He started out by being in a state of inebriation almost all day while working, by abusing customers without apparent reason and of course, stealing.

But the joint action of the minister of interior, the inspectors, the People's Government, the courts and the Office of the District Attorney have put a finger on the sore spot with a view to eliminating these irregularities in the distribution and sale of meat.

## How Do They Operate?

The butcher is an isolated worker. He works alone in the butcher shop, not under the conditions required or provided for the average worker. For example: he does not get a snack, he has no dining room...that is, he lacks certain amenities.

This isolation translates into the cup of coffee offered him by a neighbor lady, the sweet roll that someone gives him...and later, in the best of cases, there can be a false sense of obligation to give the person a little extra meat because that person looks after one.

The cycle begins. For the rest, well...a profitable deal is seen and the harm starts. Someone said, and not without reason, that in some butcher shops--because this is not generally the case--the population sees the classic "bisneno," a popular expression which means a dealer, a trickster.

For example: every butcher shop serves an average of 500 families. If the employee hands over one less ounce of meat per family, at the end of the distribution he would have 500 ounces of meat which is the equivalent of 31 pounds. A pound of meat sells for 8 pesos on the black market, which means 248 pesos.

The same sort of thing takes place when second-grade meat is passed for first-grade. It is common to hear from the mouths of consumers, "The meat has already arrived and it is being prepared." This can be the moment of the transformation!

The experts in the slaughterhouses say that that product--second-grade meat--arrives ready for sale. But...some butchers allow themselves to be seduced and there they have another means of cheating. Suppose they convert 50 pounds of second-grade meat into first-grade at a profit of 11 centavos per pound; they would be making for their own personal benefit more than 5 pesos. Understand that this is a hypothetical situation--it can be more or less, according to the amount assigned to each unit.

But there are many other ways...cartilage become ground beef; they wet the paper so that it weighs more...and other different ways of cheating the customer.

Of course, it is fair to say that not all butchers commit these violations. There are good workers who perform responsibly and conscientiously this so very important social service.

There has been progress. For example: last year 537 violations were detected; this year the figure dropped to 157.

This decrease is in large measure a result of systematic inspections which have been made in different municipalities.

However, the problem is complex. It would require an infinitely large crops of inspectors if we want fair and quality service. For this reason, it is the masses who have to be heard from in this battle.

If we are shortweighted on meat, we should not be content to make a simple remark at home: This butcher is a bad sort, he always cheats one. Or are we going to allow our children to receive less than they have coming to them?

Let's get on with it. And in the end we will see that the effort, the aggressiveness and firmness will not be in vain.

We have to unmask those who cheat the public!

The official price list is:

First-grade boneless beef—.55 pesos per pound

Second-grade boneless beef—.44 pesos per pound

Boneless beef steak--1.45 pesos per pound

Boneless beef liver--.55 pesos per pound

9204

CSO: 3010



CRIMES, WASTE, INEFFICIENCY, CHEATING, REFLECT CONDITIONS

Manager Charged With Embezzlement

Havana GRANMA in Spanish 14 Dec 79 p 3

[Article by Gabriel Molina]

[Text] The Supreme People's Court affirmed the sentence of 10 years in jail for defendant Mario Hidalgo Vaillant, 37 years old, for the crime of embezzlement decreed by the criminal chamber of the Santiago de Cuba provincial court.

It was noted in the sentence that Hidalgo held the position of head of the charcoal unit operated by the Municipal Enterprise of Palma Soriano belonging to INDAF [National Institute of Forestry Development and Exploitation] and that he was the object of an audit which disclosed a shortage of 247 bags of charcoal worth 975.65 pesos which were sold to consumers without a corresponding deposit in the bank being made.

The audit was ordered by Israel Callano Cabrera, manager of the enterprise, when on a visit to the unit he noted that both the bulletin board and the inventory control cards indicated the existence of 500 bags which seemingly did not jibe with the volume of stored bags.

The statement by judge Jose Garcia Alvarez, on taking cognizance that the accused had appealed, mentioned that Hidalgo is considered a public official who falsified his reports to appropriate for himself the yields from the sale of the product.

The sentence noted that the defendant's appeal to the court of cassation was groundless and that his term was the minimum for such a crime.

Industrial Breakdowns Hamper Harvest

Havana TRABAJADORES in Spanish 15 Dec 79 p 1

[Article by Manuel Poll]

[Text] More than 1.5 million arrobas of sugarcane remained unground during the first 10 days of the sugar harvest in Santiago de Cuba Province because

of frequent industrial breakdowns at the America Libre and Rafael Reyes sugar mills and shortages in the supplies of cane at the Paquito Rosales, Dos Rios, and Chile mills.

Up to 10 December 1979 the province fulfilled only 80 percent of its potential processing norm and the breakdowns were more serious at the America Libre and Rafael Reyes mills with a total of 53 and 31 interruptions, respectively, and a waste of more than 100 hours downtime between the two.

In the meantime, at the Paquito Rosales, Dos Rios, and Chile mills interruptions started to appear early because of a lack of sugarcane caused by a breakdown of loading and hauling equipment, combines and trucks.

The province now has seven sugar mills plus the Salvador Rosales mill which failed to start its equipment but will do so today, Saturday, following successful mobilization of canecutters by the CTC [Central Organization of Cuban Trade Unions] and its locals.

The analyses made during the first 10 days of the sugar harvest by the provincial sugar sector indicate that the five mills initiating the operations failed to process 446,000 arrobas of cane because of the nonuse of about 21 percent of the open grinding capacity.

The adverse factors mentioned which underlie all sugar harvest operations call for greater collective effort and concrete measures to stabilize the grinding process now that the list of the eight mills of the province is rounded out with the start-up of the Salvador Rosales mill.

#### Disorganized Fertilizer Operation

Havana JUVENTUD REBELDE in Spanish 16 Dec 79 p 6

[Article by Lazaro Barredo Medina: "In Cubanitro Only Good Intentions Have Remained"]

[Text] There may be many justifications but the production of fertilizers since November 1979 has witnessed one nonfulfillment after another and already the promise of this collective before the party and the government will not be fulfilled. Because of this it is not a mistake to say that inexplicably.... In Cubanitro only good intentions have remained.

The transportation crisis to move the fertilizer produced in the past 45 days impedes fulfillment of the workers' target to handle in 4 years 1 million tons of processed fertilizers in this industry in the previous 1971-75 Five-Year Plan.

One clarification: This report does not try to put blame on anyone but only to bring to public light how disorganization has caused the failure of a production goal that was important for the country during this period.

Whose fault is it? That of the chemical complex, the Ministry of Transportation, or the Ministry of Agriculture?

There is one incontrovertible fact: A workers' collective of more than 1,000 workers considers its efforts to have been useless and does not understand the explanations offered to it.

The argument presented is serious: How is it possible that if one ton of granulated fertilizer costs the country 87 pesos in the world market and the mixture costs 55 pesos, thousands of tons fail to be shipped and a complex has to halt its production for days and forgo producing a few additional thousands of tons?

#### What Is Happening at Cubanitro

Fertilizers are as vital for crops as food is for man. They are a nutrient which enhances growth and causes the yields of a crop to increase.

Cuba is making great efforts to endow its agriculture with the fertilizers necessary to increase its yields through investments in modern production plants with the consequent acquisition of raw materials abroad and also through large purchases of these products on the world market.

The Cubanitro (Raul Cepero Bonilla) chemical complex in Matanzas produces fertilizer formulas for various crops including sugarcane, tobacco, vegetables and others.

In the first half of 1979 the complex faced a series of problems such as shortages in the supply of raw materials, power shortfalls, some breakdowns and absences in key positions which limited the fulfillment of targets in the year's technical-economic plan.

However, the collective gauged its forces and defined its difficulties in order to make a greater effort so that the complex could achieve aggregate production of 1 million metric tons in [only] 4 years, which was the total it achieved under the 1971-1975 5-year plan.

On the basis of the information provided by Manuel Rebull, deputy technical manager of the enterprise; Ramon Garcia, secretary general of the party committee; and Orlando Menendez, secretary general of the trade union executive, the working class of the complex made this pledge to the party and the government at a mobilizational meeting and converted each of the producing plants into a genuine battlefield.

Agreement was reached to this end and implemented so that at the mixed and granulated fertilizer complexes, instead of four shifts the workers would organize themselves into three and increase the number of hours they worked. This would make it possible to reshuffle skilled personnel and cover all the key slots. Additionally, other measures were taken to move the specialized personnel from technical departments to direct production at both industrial facilities.

At the mixed fertilizer plant an agreement was reached to extend the production schedule from 8 to 16 hours to facilitate productive flexibility so that the Ministry of Transportation might be able to remove the products.

In the same way the workers decided to increase their work schedule in packing the granulated fertilizers to improve the possibilities of shipment while at the mixed fertilizer facility 12 voluntary shifts were organized at dawn in addition to those on Saturdays and Sundays.

This means that many workers began to work without interruption from 2300 hours at night to 1600 hours of the following day.

By October 1979 reaching the 1-million-ton target began to look possible but in November a serious crisis began to cause chaos.

#### Million-Ton Target Begins to Vanish

The shortfall in the shipment of the products, especially by railroad, involved some 7,105 metric tons during November 1979 but still, with a major effort, it would have been possible to reach the promised target.

The activists of the party then held a meeting attended by representatives of the Ministry of Transportation in the province—since they are involved in matters pertaining to rolling stock given that our railroad is national—and another set of measures was implemented. Furthermore, the details of this problem were reported to national organs.

Accordingly, in the production of mixed fertilizers another shift was created to make the plant produce continuously on a 24-hour basis at the expense of the personnel of the administrative units. At the granulated fertilizer facility, besides the 20 hour's daily schedule on the main production line, the reserve production line was pressed into operation on one shift.

Similarly in the areas of packing and shipment the use of voluntary brigades was increased. However, the work output was minimal since the transportation situation did not improve.

In December 1979 things became worse. In the first 10 days of that month 5,100 tons failed to be shipped and the plants had to halt operations because they did not have room to store their products and the production shortfall was 4,600 tons.



The million-ton target vanished and the effort, already useless, boiled down to good intentions.

#### What Are the Repercussions?

Now the repercussions are tragic. First, that large collective feels cheated because it made great efforts that bore no fruit for lack of means. There is irritation among the workers involved because, despite their readiness to work hard, they will see their wages drop.

Tremendous disorganization occurred in the enterprise which can be seen everywhere given personnel which occurred these past few weeks to try to achieve the central production goal.

Costs have risen considerably. Production losses are serious, also complicated by the fact that since a considerable portion of the products is exposed to bad weather while in storage, the fertilizer's physical quality is deteriorating.

It is possible that this will cause another major phenomenon: Perhaps it will be necessary to reprocess a quantity of the finished product given the complications which mixtures suffer because of dampness, heat, and so on which they have experienced for lack of adequate storage.

The deterioration can also be more serious because now the plants are receiving raw materials to meet next year's plan and there is no room to store them. This mandates their remaining at the port and the payment of demurrage charges as well as one more thing: If this situation continues and the daily quota of fertilizers plus an additional amount are not removed, the complex will have to come to a complete halt.

And what do the workers say? That many excuses are being given but no one is assuming responsibility for these events which have caused considerable harm to the economy.

And the workers are asking themselves: If for the government executive the major goal is production to reduce imports and thus presumably all the other factors must be mobilized as a function of that goal, then how can all these problems be justified?

That is the situation in Cutanitro. The word is now up to the organs involved.

## PHOTO CAPTIONS

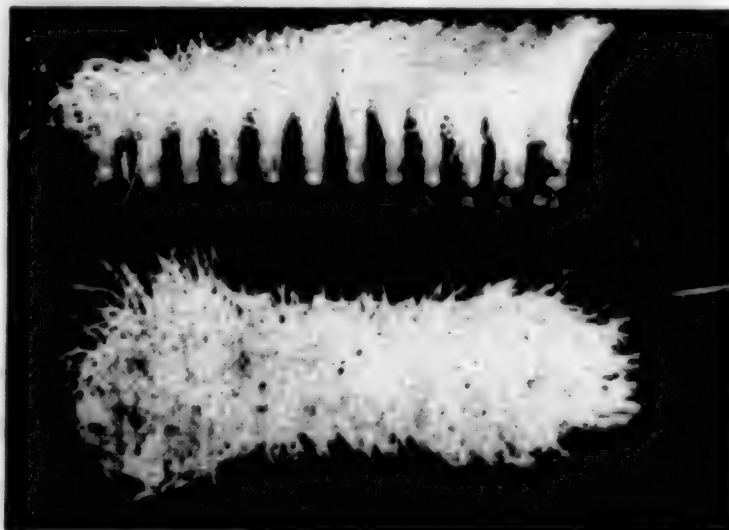
1. p 16. Fertilizers accumulated for lack of shipment total thousands of tons. The plants have had to halt production because they lacked space for the product despite the fact that measures were taken to increase production shifts and help the goal of producing in 4 years the 1 million tons which were produced in 5 years under the 1971-75 plan.
2. p 16. It is possible that some of the finished production will have to be reprocessed. Moisture and heat among other things cause deterioration in the physical quality of the fertilizer because it could not be stored properly.
3. p 16. The other problem is where to store at this time the raw materials received for the coming year's production. If urgent measures are not taken it will be necessary to pay demurrage charges and do something even worse: Halt production at the complex.

### Shoddy Toothbrush Quality

Havana GRANMA in Spanish 16 Dec 79 p 2

[Letter to the editor: "Poor Quality of Toothbrushes"]

[Text]



Regarding the poor quality of Tetebeh No 46 toothbrushes, Armando Hartmann Guilarte residing at No 13 General Francisco Estrada Street, Santiago de Cuba, wrote the following for the "Letters to the Editor" column:

"After some time when toothbrushes were not sold, our units in the Domestic Trade Department offered them in any amount. I and many others needed a toothbrush and bought a few thinking that the supply would last me for a few months. But 15 days after I began using them, the toothbrushes reached such a stage, as you can see in the photograph that I enclose, that it was necessary to change them and finally I find myself in the same situation as before."

Later the reader wondered: "Why are goods like these exported? They are of poor quality, which in the last analysis does not meet the needs of our people because they last so short a time and cause irritation, especially as these toothbrushes were sold at 40 centavos but are more shoddy than those which used to go for 25 centavos."

2662

CSO: 3010

ECONOMIC CONDITIONS REFLECTED IN PRESS REPORTS

Illegal Electric Hookups Dismantled

Havana GRANMA in Spanish 17 Dec 79 p 3

[Text] Bayamo—More than 20,000 illegal electric power hookups have been eliminated in the five eastern provinces and in their place thousands of homes have meters to register the consumption of energy, Vice Minister of the Electric Power Industry Lidio Ramon reported.

The elimination of the hookups, until now an idea in a national plan being carried out by the Ministry of the Electric Power Industry in collaboration with the town, means that almost half a million users have bettered their electrical service conditions.

Bottle Shortage

Havana JUVENTUD REBELDE in Spanish 17 Dec 79 p 1

[Text] Every state organization, enterprise and office and every people's organization must turn in to the Ministry of the Food Industry [MINAL] the cases and bottles of beer and malt they have in their possession as their turnover supply up to 31 January 1980, no matter whether a new supply is coming or not.

This measure, brought about by a resolution by Minister-President of the State Committee for Technical-Material Supply Irma Sanchez, is due to the necessity of making rational use of available means, given the problems faced in the manufacturing of glass bottles this year and the insufficient production of same until the new installation which is being built goes into operation.

Consequently, beginning 1 February 1980, the cases and bottles of beer and malt remaining in the possession of the state sector and the people's organizations will have no exchange value at all.



For those regular consumers whose consumption and distribution are steady, MINAL will apply a procedure to establish the minimum levels of containers necessary to guarantee distribution and to eliminate undue storage and not harm operations in these activities.

As for the possible consumption of beer and malt, it should be contracted for with the MINAL distributing establishments in the ways and terms established.

#### Theft of Household Goods

Havana TRABAJADORES in Spanish 20 Dec 79 p 3

[Text] The Havana provincial district attorney asked for a sentence of 20 years in prison for accused thieves Marcial Martínez Cusa and Juan Francisco Pérez Cepeda, aged 16 and 19 respectively.

The accused met at the lodging of Marta Rivera García at Avenida 53 in Marianao, and by mutual agreement broke the window and entered the house, where they took various articles of clothing, electrical home appliances and other objects, all worth more than 350 pesos.

In his summation, the representative of the Attorney General's Office stated that these deeds constitute a crime of robbery of an inhabited lodging with force, repudiated by our society which is trying hard and working to eliminate the defects of the past which still exist.

#### Water Outages Announced

Havana TRABAJADORES in Spanish 20 Dec 79 p 3

[Text] The provincial enterprise for the City of Havana Aqueduct Operations announced that because of emergency repairs being done on the conduit from El Benigno supply source, the distribution of water will be affected today, Thursday, from 0600 hours to 1800 hours in the following areas:

In the town of San Miguel Padron, in the Barríor Obrero, Guardiola, Jacomino, La Rosalia, Rocafort, Residencial San Miguel, María Cristina, Alturas de Luyano, Diezmero, Tejas, Las Delicias, La Cumbre, San Martías, Veracruz and María Luisa distributions.

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CSO: 3010

**ECONOMIC CONDITIONS REFLECTED IN NEWS REPORTS****Deficiencies in Eating Establishments**

Havana TRABAJADORES in Spanish 20 Dec 79 p 3

[Article by Edith Martinez]

[Text] The struggle to eliminate poor service, the lack of hygiene, and the lack of work discipline in pizza parlors were the topics discussed at a general meeting of workers in this sector held by the Trade and Gastronomic Trade Union and the directorate of gastronomy and housing of the people's government in the city of Havana.

In the report at the meeting there was an account of the result of the inspection undertaken in all units engaged in this specialty and the most notable deficiencies found such as failure to follow directions on the recipe cards for the preparation of pizzas, grease on the plates, the preparation of the product, and the quantity of cheese required.

Noncompliance in changing tomato paste into Neapolitan sauce, the nonuse of ingredients to thicken the source, as well as not allowing for sufficient baking time were other noted deficiencies.

Concerning the preparation of large amounts of pizza they found that in various units the complete preparation was done at times of low demand when directives call for keeping the dough unbaked. Also, the incorrect use of the dough which was kept from one day to the next, noncompliance with the required weight for the small pizza, the cooking of pasta without salt, and the scanty preparation of desserts represent the other deficiencies found at various centers of this sector in the province.

At the gathering it was decided to hold meetings at the five restaurants specializing in Italian cooking and the 38 pizza parlors of the popular network of Havana to reach agreement of the sector's workers to eliminate the shortcomings involved in the faulty provision of service.

The meeting was chaired by Pedro Baez and Orlando Otano, director and chief of production, respectively, of the Pizzeria Enterprise in the city of Havana and by Hector Rodriguez, member of the Trade and Gastronomical Trade Union of Havana Province.

## Poor Packing Causes Waste

Havana TRABAJADORES in Spanish 20 Dec 79 p 3

[Text] In the foodstuff warehouses located at Calzada del Cerro and Cruz del Padre Streets in Havana a trailer truck was being unloaded. Its cargo of 25 tons of spaghetti boxes had deteriorated considerably because of poor packing and faulty storage at the point of shipment. Because of such anomalies the packages broke in transit with subsequent spilling of the product on the floor of the warehouse.

After the reporting of these facts by Reinaldo Rojas, general secretary of the trade union section in that unit, we went there and on our arrival a group of workers were toiling on the floor of the truck and others were engaged in repacking the product. We spoke with one of the drivers of trailer truck bearing license plate HQ-0454, Jose Manuel Portela, who told us that they had reported this incident relating to the deterioration of the product because of faulty packing in cardboard boxes in the town of Marti. They also showed us the report made in this connection at the PNR [National Revolutionary Police] of Marti.

In our talks with Virgilio Diaz, head of the warehouse, he also mentioned how the use of an inappropriate vehicle contributed in part to the regrettable event: "That product was loaded on a flat truck when it should have been loaded in a covered truck or a truck with a top, also taking into account that the goods originated from Santiago de Cuba."

According to the bill of lading, this cargo would seem to have been supplied by the Pasta and Caramels Enterprise of Santiago de Cuba located in the Jose Marti district, destined for the Food Wholesale Enterprise, and to consist of 1,222 boxes of spaghetti of 14 kilograms each with each unit worth 12.72 pesos.

Because the boxes were not completely filled to the top with the product, on being piled up they were flattened and broke, which caused spillage and the loss of some of the content.

Comrade Virgilio said that besides wasting part of the product there was also a waste of time because the storage brigade and the other warehouse personnel had to devote their time to unloading and repacking the pasta and leave their other activities. Furthermore, the cases had to be weighed once again and repacked, and in any case the people would not receive a product in the best condition.

Deficiencies such as these damage not only the country's economy but also the public health since what is involved is a product of wide mass consumption whose deficiency or waste constitutes an inadmissible situation.

## **Gas Station Fraud Explained**

**Havana JUVENTUD REBELDE in Spanish 8 Jan 80 p 2**

**[Article by Teresa Valdes and Jorge Petinaurd: "Fraud at Service Stations"]**

**[Text] As a result of facts discovered by the experts of the Crimes Against the Economy Unit, the PNR [National Revolutionary Police] deployed an offensive against gas pump operators who profit from the yields of gasoline sales.**

**The gasoline service stations of the people's government in Havana have been the victims of the activities of individuals who violate regulations during the sale of the fuel. For example, gasoline vouchers turned in by drivers of state vehicles for special gasoline are not canceled and are then offered to private drivers for further use.**

**We found at the service station visited by law enforcement agents that various violations existed in all of them. Vouchers distributed for the first quarter of 1980 were handed in (even though it was still 1979). Used coupons were handled once again. The gas pump operators held cash which they declared to be personal while they were on duty. They did not check extra tenths of gallons. They exchanged state gasoline for private gasoline and manipulated distribution vouchers for unlawful purposes.**

**To check these activities and improve the service of these state entities for drivers, the PNR undertook a campaign against some individuals who take advantage of their working activities to realize personal gain.**

**At a meeting Mayor Lavado Sagun proposed the measures to be taken during the operation. At no time could the service provided during the final end-of-year days be interrupted or affected. Officials involved in the Crimes Against the Economy Unit were to be backed up by the workers who make up the auxiliary units of the PNR. Workers and police left promptly for the fulfillment of their missions.**

**Between 2000 hours and 2400 hours on 30 December 1979, the final Sunday of the year, they executed efficiently, in disciplined manner, the operation against those individuals who, taking advantage of their jobs as gas pump operators at service stations, were engaged in unlawful activities.**

**The operation was carried out simultaneously in 11 districts of the capital. Precisely at 2000 hours we accompanied the officials to one of the service stations of Havana.**

**"Good evening, we are from the police; kindly give us all gasoline coupons that you have in your possession as well as your cash on hand."**

**In the meantime, the woman official accompanying us asked one of the drivers waiting for service:**



"Please comrade, you must act as our witness in connection with these criminal acts. Are you willing?"

#### A District Chairman of the People's Government

At the service center located on 23d Street and the Malecon in the Plaza district we met Pedro Sotomayor Sanchez, chairman of the municipal assembly of the people's government in East Havana, who, as a driver, served as witness for the police and later agreed to answer our questions regarding the people's opinion of the actions taken by the forces of the MININT [Ministry of the Interior] in their drive against crime.

He considered that these measures were effective and that their need could be perceived—for example, in the opinions expressed by the voters at various levels of the people's government since delinquency had increased and injured the sensitivity of the workers and the people in general.

Strong response by the authorities was in order to check the manifestations of antisocial and criminal elements.

He elaborated on this score:

"I consider that the actions of the PNR are very good and timely because all citizens are against those elements who come to popular celebrations to disturb or affect the public order and against others who take advantage of their work activities to perpetrate felonies which, like these, impact on the national economy.

"In East Havana we do not have problems. A few days ago we made a survey with the district head of the PNR and found that we do not have serious difficulties.

"Our major difficulties are found among the transient population who visit the tourist centers of the beaches of Guanabo, Santa Maria, and so on. We have better results in supervision because excellent relations prevail between the representatives of the people's government and the National Revolutionary Police.

"We congratulate them for all the effective actions they have taken for the protection of the citizens."

#### Enterprise Inspectors

To prevent these violations by the gas pump operators, the service station enterprise of Havana has a body of inspectors who must visit the stations periodically.

At each inspection they have to check out the mechanism of the operating gasoline pumps, the quality of service to drivers, compliance with the rules established for the cancelation of gasoline vouchers, and so on.

But these inspections are not carried out with the necessary regularity, which impedes the more frequent discovery and anticipation of violations or criminal activities of some gas pump operators.

Taking into account the fact that the inspectors represent specialized personnel to discover existing irregularities at gasoline pumps on the roads, the PNR asked the help of the enterprise inspector units which had to sign the complaints about the crimes that affect the distribution of fuel.

In this operation inspectors and police did their duties against crime at service stations in the capital.

#### In Constant Struggle Against Crime

A short interview with Capt Butros Randeliff threw light on a few aspects of the police operation and epitomized the opinion of his colleagues in the Crimes Against the Economy Unit of the PNR in Havana.

"We are pleased by this police activity against crimes which affect our national economy because we know that our government is in a constant struggle against these manifestations which basically stem from a lack of revolutionary vigilance.

"We work long hours but this is necessary to accomplish the drive against this crime which used to operate with impunity and which will get what is coming to it.

"Our drive on this occasion is against some gas pump operators who are largely responsible for the diversion of gasoline. We know that oil costs a lot for the revolution and that thanks to the Soviet Union we can insure its supply. For that reason we can in no way allow its pilfering or the undermining of the benefits of our international unity.

"To avoid the repetition of such deplorable events it is necessary that we effect a study of this problem so that the entities involved in the distribution of fuel should take the appropriate measures.

"The National Revolutionary Police, with the support given by the people to its actions against such antisocial manifestations, will not abuse the trust placed in us, in the constant and extensive drive against crime."

#### PHOTO CAPTION

Vouchers such as the one above which authorize gasoline for state vehicles exclusively were not canceled by some gas pump operators but were then sold to private parties.

## Problem-Laden National Economy

Mexico City EXELSIOR in Spanish 4 Jan 80 p 20-A

[Article: "In Cuba Dependence on Sugar Continues but There Is Less Poverty"]

[Text] Havana, 3 January—Twenty-three [sic] years after Fidel Castro ascended to power in Cuba the socialist government is proud of the progress achieved in education, public health, and in feeding and clothing its underprivileged but the Cuban economy, based on sugar, continues to be burdened with problems. Rationing and shortages of consumer items have become chronic and it has not been possible to eliminate the black market.

The Cuban Government considers its statistics to be a state secret. However, officials in the Department of State in Washington, D.C., believe that the Cuban economy has continued to stagnate. They point out that Soviet assistance increased to approximately 3 billion dollars annually from \$1 billion in each of 1974 and 1975.

The Castro brothers, Fidel and Raul, complained in their end-of-year speeches on 3 and 4 December 1979, respectively, of chronic problems such as the drop in industrial productivity and the fact that many agricultural workers employed by the state had resigned to devote themselves to the cultivation of their private plots of land.

The life led by an expert in agricultural matters who has served in the Cuban sugar industry for 37 years provides an indication of how the majority of the 9 million Cubans lives. The name of this expert is not revealed because Castro's officials disapprove of Cubans' talking confidentially with foreign reports.

His apartment, located in a four-story building in Havana, is not bad even though he has to share it with his father who occupies a narrow room by himself (he is divorced). Father and son have a third room in the apartment which is the kitchen.

The individual involved is a black man who graduated from the University of Havana as an agronomic engineer. For a 5 1/2-day workweek he earns 281 pesos (about U.S. \$202) a month, which is an average wage in Cuba. His mother, who had been a schoolteacher for 31 years, receives a pension equivalent to \$63 a month. His father receives a pension of \$58 a month as a former army lieutenant during the regime of Fulgencio Batista, the dictator who was toppled by Fidel Castro.

Usually, Cubans spend 10 percent of their income on their house or apartment rent. However, this agronomist does not pay rent because his brother distinguished himself for a while in the Communist Party. This brother is a honor medical student and leader of the communist youth.

What the agronomist saves in rent of the apartment is completely offset by the fact that he spends \$40 a month to support his 6-year-old daughter who lives with his former wife in the home of the girl's maternal grandparents.

#### Only Half a Kilogram of Meat or Chicken a Week

The major portion of the agronomist's income and the pension of his father is spent on food. A family can generally buy about 2.5 kilograms of rice a month at a price of about 9 Mexican pesos per kilogram; 500 grams of meat or chicken a week at 30 Mexican pesos a kilogram. Greens and fruit are very scarce but they can be found—as can chicken and eggs—on the black market at very high prices. It is primarily those peasants who produce these commodities who sell them on the black market.

Water is also scant in Havana. Little of it flows and only during limited hours in the morning and evening.

Clothing is another item in short supply. Bluejeans cost the equivalent of \$50 and a shirt costs around \$30. The reason for the high prices is the scarcity and the consequent rationing. Cubans are allowed to buy two pairs of pants a year, two shirts, three pairs of socks, three sets of underwear, and two pairs of shoes. All of this is of poor quality.

This family does not have a television set, a refrigerator, or a telephone. Telephones are reserved for party members or for individuals whose occupations requires this service, such as physicians. The agronomist applied a few months ago for a television set which, when it is sold to him, will cost him \$650. Television sets, even old ones, are worth \$1,000 on the black market. The family in question has a radio which cost \$100.

At present a Cuban has to pay 5 centavos for a city bus ride and 5 centavos for a telephone call, both of which services used to be free until a few years ago.

However, the family bears this harsh lifestyle for three reasons mentioned by the agronomist's 78-year-old father: There are jobs for everyone, the poor live better, and education is available to all. "I am black but all my three sons attended the university. This would not have happened before the revolution, before Fidel," he concluded.

2662

CSO: 3010



## BRIEFS

**QUALITY CONTROL**--The need to develop cadres to implement the national system of quality standards, metrology and control in the country's enterprises and industries has been noted by party Politburo member Dr Osvaldo Dorticos Torrado in his closing remarks at a meeting held to review the work done last year by the State Committee for Standardization. The meeting, held on the ground floor of the Central Organization of Cuban Trade Unions, was chaired by Ramon Darias, minister-president of the State Committee for Standardization, and Mario Machin Tirador, secretary general of the Public Administration Workers Union. In his remarks, Dr Dorticos said he was satisfied with the work done but emphasized the need for strict vigilance throughout the implementation of the system which requires rigorous worker discipline. [Text] [FL200039 Havana Domestic Service in Spanish 0000 GMT 20 Feb 80 FL]

**CATTLE INDUSTRY MEETING**--PCC Politburo member Jose Ramon Machado Ventura has chaired the plenary session on efforts made by the cattle industry in Granma Province during 1979. The territory reported satisfactory results in the feed production and breeding as well as the average weight of cows used in the insemination program. The goals set for calves' mortality rate, milk production, delivery of meats and feeding were not fulfilled due to deficient management and material problems. Machado Ventura urged all to make a great effort in 1980 to improve work even though there might be objective factors hampering such a goal. [Text] [FL201749 Havana Domestic Service in Spanish 1700 GMT 20 Feb 80 FL]

**GDR DELEGATION**--Dr Erich Ruebensan, president of the Academy of Agricultural Sciences of the GDR and member of Germany's Socialist Unity Party Central Committee, and the delegation accompanying him have visited the Valles de Picadura livestock breeding farm in the municipality of Madruga, Havana Province. Ramon Castro Ruz, national work hero and director of the center, welcomed the visitors and briefed them on the development and objectives of that work center. After visiting various installations in Valles de Picadura, the GDR delegation held a cordial meeting with the peasants and workers of the Pena de Leon and Victoria de Vietnam communities. At the Victoria de Vietnam community, the delegation chatted with the couple Jose Hernandez and Bernabela Gonzalez as

well as Jose Manuel Hernandez, who explained to the visitors the living conditions before the triumph of the revolution and the changes that have taken place since then. [Text] [FL201548 Havana Domestic Service in Spanish 1507 GMT 20 Feb 80 FL]

**SUGAR HARVEST PUSH URGED**—The National Executive Secretariat of the Committees for the Defense of the Revolution (CDR) has urged CDR members to make their greatest effort for an efficient sugar harvest in response to the proposal of Commander in Chief Fidel Castro of undertaking a 75-day harvest offensive. The CDR statement notes that the analysis of the sugar harvest made by the top leader of the revolution represents an exhortation to give the harvest greater attention so as to complete the production plan and compensate for the damage caused to the economy by plagues over recent months. [Text] [FL200029 Havana Domestic Service in Spanish 0000 GMT 20 Feb 80 FL]

**1979 METALLURGIC PRODUCTION**—Mining and metallurgical workers had a production in 1979 amounting to 688 million pesos, which represents a 98.2 percent fulfillment of the economic and technical plan. This was reported by Rafael Navarrete, the National Mining and Metallurgical Industry Workers Union secretary general. [FL212007 Havana Domestic Service in Spanish 1500 GMT 21 Feb 80 FL]

**ANAP NATIONAL DIRECTORATE MEETING**—The sixth plenum of the National Association of Small Farmers' [ANAP] National Directorate opened this morning at the ANAP theater. Agreements reached at the previous meeting were approved and the ANAP's 1979 activities report was read and discussed. The plenum was chaired by Jose Ramirez Cruz, member of the party's Central Committee and ANAP president, as well as by members of the ANAP National Bureau and Directorate. By the end of last year, ANAP had set up 830 agricultural and livestock production cooperatives with an area of over 9,500 caballerias, thereby organizing 108 more cooperatives than in the 2 previous years. ANAP Vice President Orlando Barrios read the 1979 activities report. [Excerpt] [FL211923 Havana Domestic Television Service in Spanish 1800 GMT 21 Feb 80 FL]

**TEACHER DETACHMENT ESTABLISHED**—PCC Central Committee member Asela de los Santos has made the closing remarks at a ceremony establishing the Ninth Manuel Ascunce Domenech Teacher Detachment at the Sergio Gonzalez Senior High Farm School in Sancti Spiritus. The new contingent is made up of more than 8,000 12th-grade students from all provinces, of which Sancti Spiritus was the one recruiting the most. In her speech Asela de los Santos noted that the country now has 5,600 teachers from the ranks of the first contingents and that more than 22,000 students are members of the detachment. [FL211712 Havana Domestic Service in Spanish 1700 GMT 21 Feb 80 FL]

**FARM COOPERATIVES GROWTH**—The National Association of Small Farmers [ANAP] intends to organize 500 agricultural and livestock production cooperatives this year. This was announced in Havana today at the opening session of a meeting of the ANAP National Directorate. ANAP President Jose Ramirez Cruz, member of the party Central Committee, is chairing the meeting which opened this morning. The principal report on the result of the work of peasants in 1979 was read by ANAP Vice President Orlando Barrios. Referring to the cooperatives movement, Barrios noted that by the end of last year a total of 832 cooperatives were established throughout the country covering an area of 9,535 caballerias and with 19,357 members. [Text] [FL220014 Havana Domestic Service in Spanish 0000 GMT 22 Feb 80 FL]

**MININT VANGUARD MEMBERS**—Col Raul Garcia made a speech on behalf of the Interior Ministry at a meeting of the workers of the Antillana de Acero iron-steel enterprise and the 1979 national vanguard members of the Interior Ministry [MININT]. He noted that prior to the revolution's triumph it was inconceivable that workers and the armed forces' men and women could be united in a fraternal embrace as it is possible today. This is due to the fact that they are united by the same class origin. The 1979 MININT national vanguard members also toured two of the 15 shops of the Jose Marti iron-steel enterprise in El Cotorro, Havana City. The vanguard members asked about the working conditions at the shop and the fulfillment of the technical-economic plan. The workers, for their part, expressed joy over the visit which reaffirms that we are a people in uniform. The Committees for the Defense of the Revolution last night hosted an event in honor of the MININT national vanguard members. [Text] [FL261737 Havana Domestic Service in Spanish 1700 GMT 26 Feb 80 FL]

**DANISH TRADE UNION**—A delegation representing the Danish Construction Trade Unions has visited the cold-storage plant under construction in Matanzas. The delegation previously visited the Matanzas Central Organization of Cuban Trade Unions offices. [FL262014 Havana Domestic Service in Spanish 1919 GMT 26 Feb 80 FL]

**COMMUNICATIONS WORKERS AWARDED FLAGS**—Pedro Guelmes, member of the PCC Central Committee and minister of communications, has chaired a ceremony to present the millionaire flag to the Claudio Arguelles Brigade of the Communications Workers Trade Union. Guelmes congratulated the cane-cutters and predicted that they will soon attain the second million of arrobas of cut cane. The workers are working in the canefields of the Manuel Fajardo sugar mill in Havana Province. The ceremony took place in their camp. [Text] [FL261737 Havana Domestic Service in Spanish 1700 GMT 26 Feb 80 FL]

**ECUADOREAN VISITORS**—Rene Rodriguez Cruz, president of the Cuban Institute of Friendship With the Peoples [ICAP], has received Dr Max Aguirre Borrero, secretary of the Ecuadorean-Cuban Institute in Quito, and his wife Ana Maria (Falas), a member of the Casa de las Americas contest

**RISQUET'S LAS TUNAS VISIT--**"Las Tunas Province is making an enormous effort on all fronts and I have confirmed great enthusiasm and awareness among the working masses and all the people over these 3 days I spent touring various sectors and municipalities," party Secretariat member Jorge Risquet Valdes said to the national news agency upon conclusion of his visit to construction, sugar harvest, transportation, health, educational and other centers of Las Tunas. Risquet insisted on the need to make up for lost time in the sugar harvest and complete construction work according to the timetable. The Secretariat member visited the Antonio Guiteras sugar mill where he learned of the effort being made to maintain its status as the country's biggest sugar producer. At the Amancio Rodriguez sugar mill, Risquet was concerned over the status of this sugar mill which is fulfilling only 62 percent of its grinding potential. At the Guayabal bulk sugar terminal, Risquet praised the quality of sugar and urged the achievement of the plan calling for 1 million tons of sugar to be exported by the terminal. [FL262352 Havana Domestic Service in Spanish 2105 GMT 26 Feb 80 FL]

**CINEMA AGREEMENT WITH POLAND--**Theater and cinematographic agreements were signed this afternoon between Cuba and Poland during a ceremony at the National Union of Cuban Writers and Artists [UNEAC] in Havana. The document was signed by (Mieczyslaw Marzycki), secretary for the Association of Polish Stage and Film Artists, and by Aurora Bosch on behalf of the UNEAC's committee on stage arts. Also present were Luis Suardiaz, first vice president of the UNEAC, and Polish Embassy officials. [Text] [FL270208 Havana Domestic Television Service in Spanish 0100 GMT 27 Feb 80 FL]

**CEMA MEDICAL MEETING--**The work plan to be in effect through 1985 of the CEMA Council of the International System of Scientific and Medical Information is being discussed in a meeting at the scientific council headquarters of the Public Health Ministry in Havana. The participants will examine the results of the system and will also supply information to the CEMA Standing Committee on cooperation in the field of health and international systems of scientific and medical information. The forum, which is scheduled to end tomorrow, is being attended by representatives from the GDR, Bulgaria, Hungary, Poland, the USSR and Cuba. Previous meetings of this nature have been held in the GDR, the USSR and Bulgaria. [Text] [FL281509 Havana Domestic Service in Spanish 1329 GMT 28 Feb 80 FL]

**JAPANESE COMMUNIST PARTY CONGRESS--**Cuba has proclaimed the people's right to demand peace in the face of worsening international relations with the most aggressive forces of imperialism placing mankind on the brink of war. In a speech made at the 15th Congress of Japanese Communists, the Cuban representative to the congress, Faure Chomon, said that war will not solve any of the serious problems mankind is experiencing today. Conveying greetings from the Communist Party of Cuba to Japanese Communists, Chomon referred to the beautiful tradition of struggle of the Japanese Communist Party and expressed gratitude for its militant solidarity with the Cuban revolution. [Text] [FL281920 Havana Domestic Service in Spanish 1800 GMT 28 Feb 80 FL]



UNESCO OFFICIALS--Armando Hart Davalos, Politburo member and culture minister, has met in Havana with the UNESCO cultural patrimony regional program director, (Silvio Mutal). Present at the meeting were Antonio Nunez Jimenez, culture vice minister and chairman of the National Monuments Committee, and Alfredo Guevara, president of the old Havana and fortifications system work group, as well as Lupe Veliz, director for international relations at the Culture Ministry. [FL290035 Havana Domestic Service in Spanish 0000 GMT 29 Feb 80 FL]

FMC CONGRESS--The first delegations invited to the third congress of the Federation of Cuban Women [FMC] to be held 5-6 March already have arrived in this country. The guests are (Elsa Maria Hernandez) of the National Organization of Housewives, (Consuelo de Pradel) of the United Committee for the Rights of Women, and (Flavia Garcia Ferrer) of the University Committee of Women, all from the Dominican Republic; and from Jamaica, (Irvine Richards), member of the Women's Movement of the People's National Party, and (Margaret Rose) of the Women's Committee for Progress. The delegations were received at Jose Marti International Airport by Idalia Gonzalez, member of the FMC National Committee, and other comrades of the FMC National Directorate who over the next few days will continue welcoming the foreign guests that will share with joy the celebration of the Third FMC Congress. [Text] [FL281909 Havana Domestic Television Service in Spanish 1800 GMT 28 Feb 80 FL]

SOVIET FREIGHTER--The "Captain Mezentshev," a new ship of the Baltic steamship company has departed from Leningrad on its first working voyage. It has set a course for Havana. This is the second large-capacity gas-turbine powered ship with a horizontal system for loading and off-loading which the Nikolayev shipbuilders have built for the country's transport fleet. The ship's total volume of cargo capacity is 60 thousand cubic meters, and the "Captain Mezentshev" can reach a speed of more than 45 kilometers per hour with up to 15 thousand tons of cargo on board. Two gas turbine units have been installed on the ship, with a combined capacity of 50 thousand horsepower. Unlike the turbines on the "Captain Smirnov" they use heavy fuel [oil] and operate on a more economical system. The Nikolayev shipbuilders will build another ship in this series--the "Engineer Yermoshkin," which will further enlarge the Baltic steamship company. [Leningrad LENINGRADSKAYA PRAVDA in Russian 6 Feb 80 p 2]

CSO: 1823

DOMINICAN REPUBLIC

GOVERNMENT TO REVIEW OIL EXPLORATION CONTRACTS

Santo Domingo LISTIN DIARIO in Spanish 17 Jan 80 pp 1, 11

[Article by Jose Romero: "Oil Agreements To Be Reviewed"]

[Text] The Dominican Government ordered yesterday a review of oil exploration agreements with the four active companies, raising the possibility of direct explorations in future in the areas which are uncommitted, using the country's own resources or foreign funding.

The announcement was made jointly by the technical undersecretary of the Presidency, Dr Miguel A. Guzman Fabian, and the director general of mining, geologist-engineer Romeo Llinas, at a press conference held at the National Palace in the presence of Federico Henriquez Grateresux, the government's director of public relations.

Both officials reported that the President of the Dominican Republic had recommended to them that they renegotiate said agreements with the purpose of intensifying explorations in the country, both onshore and on the continental shelf.

It was explained that these changes are the result of an economic decision in the sense that the costs of purchase or rental of drilling equipment have risen sharply and that the working capital of some companies, in view of this, has been scanty.

Dr. Guzman stated that with this change the government hopes to determine the oil potential of the subsoil as soon as possible.

He explained that the purpose is to have these enterprises accelerate the discovery of additional traces of exploitable deposits, which would help promote the interest of other companies in participating in those areas for which concessions have not been granted or have been returned to the state.

In this case the new firms would participate on their own account and risk, as was indicated.

Guzman reported that talks have begun with the four companies under contract to review in detail the work schedules which they have for this year. Also to study the possibility of giving greater scope to the proposed programs before entering the drilling stage so that the same may be covered in a relatively short period.

Through this the companies would secure the largest amount of information necessary regarding the potential area and avoid fruitless drilling.

It was explained that in cases of very extensive concession areas the enterprises would have to relinquish to the government areas with lower priority within the exploration program.

It was also announced that at the close of this month a mission would be leaving for Houston and possibly northern Europe and the Far East in order to promote the Dominican Republic and try to interest companies experienced in exploration, many of which are extending their operations in the Caribbean.

Both officials stated that the Dominican President wants the people to know as early as possible and definitively the potential of their country's subsoil.

However, it was explained that the government will not undertake to allocate concessions for explorations to itself, leaving this task to the contracting companies given that costly and very risky activities that may continue for a long time are involved.

Still, the government reserves exploration rights for itself in areas under its absolute control as a way to improve its negotiating capacity with firms interested in the activity.

It was reported that the general oil exploration projects are still at preliminary stages even though two of the enterprises have undertaken significant tasks such as Canadian Superior Oil Company (in the Enriquillo basin), which completed its seismographic work, the Compania and Petrolera Las Mercedes Dominicana [Dominican Las Mercedes Oil Company] (in the Bahoruco, Azua, Bani, and Llanura Oriental [Eastern Plain] basins), which undertook surveys and initiated exploratory drilling.

According to what both officials explained, all these projects and survey will have to be integrated for the planning of future exploration efforts.

And they noted that this task is part of the effort which the government has been making for some time to reduce the negative effects of constant oil price hikes.

It was indicated that on 14 January 1978 four exploration service agreements went into effect between the Dominican Government and the following firms:

Canadian Superior Oil Company, Ltd., Las Mercedes Dominicana Oil Company, Cariboil Corporation, and Quisqueya Oil Company, Inc. These four firms have undertaken the following exploration activities:

Canadian Superior Oil Company Limited, whose agreement concerning the Enriquillo basin includes an area of 298,000 hectares, has undertaken detailed surveys in order to determine the existence of favorable configurations that would justify moving to the drilling stage. This survey includes geological excavations, rock samplings, seismic tests over 1,002 kilometers on shore, and 137 "miloneters" of seismic measurements in Lake Enriquillo. It has also effected 1,002 km of gravimetric surveys. This company is in the process of organizing its drilling work. It is expected that any well drilled in the area contracted by this company will reach a depth of 15,000 feet at a cost of some U. S. \$6 million.

The Las Mercedes Dominican Oil Company whose agreement involves the Azua, Bani, Batoruco, and Llanura Oriental basins has undertaken preliminary geological surveys on shore and also covered 6,225 km in aeromagnetic surveys, 2,252 km in gravimetric surveys, 897 km in seismographic surveys onshore and 1,127 km in seismographic surveys on the continental shelf. It also reviewed 280 km of seismic measurements which Tenneco, Inc., had done earlier in 1969 in Ocoa Bay. The size of the area contracted for with this firm is 1,244,258 hectares. So far the Las Mercedes Dominican Oil Company has drilled three exploratory wells in the Llanura Oriental basin between Boca Chica and San Pedro de Macoris totaling 21,300 feet of drilling.

Cariboil Corporation's agreement in the San Juan basin covers an area of 243,000 hectares. This company has undertaken a preliminary geological survey and used seismic equipment along 21 km onshore in order to determine whether said equipment is adequate to assay an area characterized by sedimentary layers of considerable thickness. Work in this basin is still at the initial stage and is a long way from reaching the drilling stage

Quisqueya Oil Company, Inc., whose agreement relating to the Cibao basin covers 1,700,000 hectares, has realized preliminary work to date covering 120 km of seismic measurements and 800 km of gravimetric surveys, all of which was subcontracted to the Las Mercedes Dominican Oil Co.

2662

CSO: 3010



**DOMINICAN REPUBLIC**

**PRD LEADER VIEWS PLANS TO NATIONALIZE OIL REFINERY, BANKS**

Santo Domingo EL NACIONAL in Spanish 15 Jan 80 p 7

[Article: "The Opinion Is That A Firm Which Is Not A Liability to the Nation Should Not Be Nationalized"]

[Text] The president of the PRD [Dominican Revolutionary Party] is expressed the opinion that the government should not nationalize a firm which is not a liability to the nation.

Manuel Fernandez Marmol, who is also director of the Industrial Development Corporation, referred to the case of the Dominican Oil Refinery.

Early this week the Dominican president, Antonio Guzman Fernandez, said in Bani that he would nationalize the oil refinery if necessary.

"Now, if with the nationalization of the Dominican Oil Refinery the prices of products were to fall, then I would approve," the president of the PRD said.

Manuel Fernandez Marmol added that he is in agreement that the government of Antonio Guzman should nationalize foreign banks.

"We indeed have to nationalize or Dominicanize the banks because in this case there are no advantages for anyone."

The government official and political leader noted that the Dominican people are being exploited by foreign banks.

"Making little investment, the foreign banks manage to squeeze juicy profits out of the Dominican people," Manuel Fernandez Marmol explained.

He observed that if it did not nationalize the banks the government should at least restrict them so that the savings of Dominicans might not be managed by the former.

The president of the Dominican Revolutionary Party made his declarations on a radio program.

Manuel Fernandez Marmol also stated that the Industrial Development Corporation has lent more than 10 million Dominican pesos to small businessmen for the extension of their businesses.

The government official noted that many of these firms which had been with credits were on the edge of bankruptcy.

"The government of President Antonio Guzman is working for the good of the country," the president of the PRD and president of the Dominicano said.

2662

CSO: 3010

DOMINICAN REPUBLIC

GASOLINE USE DROPS, SHORTAGE OF LUBRICANTS FORESEEN

Santo Domingo LISTIN DIARIO in Spanish 14 Jan 80 pp 1, 15

[Article by Octavio Mata Vargas: "It Is Reported That the Consumption of Gasoline Is Down; Possible Lubricants Shortage Foreseen"]

[Text] The president of the National Association of Gasoline Retailers reported yesterday that gasoline consumption in the country dropped by about 9 million gallons in 1979 in addition to the fact that the traditional 12 percent annual consumption increase did not occur.

According to the report of Luis Robles, fuel prices also had an impact tending to encourage the drop in consumption last year.

The head of the gasoline retailers association reported that in 1978, 112,122,097 gallons of gasoline and 30,516,000 gallons of gas-oil were consumed.

Robles, who was interviewed on the Aeromundo program presented on Sundays by newsmen Guillermo Gomez for Color-Vision, noted that for 1979 fuel sales dropped by about 9 million gallons with the use of no more than 103,267,595 gallons of gasoline and 30,005,000 gallons of gas-oil.

Robles said that the two crises which appeared last year in the supply of gasoline--one in March 1979 and the other following hurricane David--had a lot to do with the drop in the consumption of fuel.

However, he mentioned that the Dominican Republic normally witnessed a steady increase in gasoline consumption of 12 percent annually.

Based on this fact Robles said that the country not only reduced that consumption by 9 million gallons but did not see an increase in its annual rate either.

The president of the National Association of Gasoline Retailers referred to the government's decrees which limit the sales of fuel to 5-1/2 days a week.

He indicated that these presidential decrees have not been very effective given that people did not show the necessary respect for them.

He said that if one walks downtown during the night hours he can see that most of the lights in stores are on whereas the presidential decree mandates that from 2300 hours all signs and lights inside stores must be turned off.

Robles also noted that at many gas stations, especially those inland, gasoline is being sold in violation of Decree 1,051 of the Dominican President which limits the hours of fuel sales.

#### Lubricants Crisis

Furthermore, Luis Robles said that the country is now experiencing a crisis in the supply of lubricants and also predicted that within a month, if things continue as they are, that commodity will have disappeared from the market.

Robles added that very soon vehicles could find themselves without the lubricants necessary for them to continue to operate.

The head of the gasoline retailers' association explained that the problem is due essentially to the fact that last year various price increases of the base product, which is petroleum, occurred and the latter's byproducts also saw considerable price increases without any action by the Directorate of Price Control.

According to Robles, the government organ must set the prices for the lubricants distributed by gas stations.

The head of the gasoline retailers' association warned that if the government does not take steps to promote an increase in the supply of lubricants it will soon be necessary to notify the public not to count on the product.

He indicated that since petroleum products have increased in price while the Dominican Government has not authorized a price rise in lubricants, importers have been unable to bring in that item from abroad so that a moment will come when there will be a shortage.

However, Robles noted that some meetings with competent officials have been held to seek a solution to the problem of lubricants.

#### Gasoline Prices Will Increase

Furthermore, the president of the National Association of Gasoline Retailers predicted that within 2 or 3 months a further increase in the prices of fuel will occur.

He said that the intention of oil-producing countries to raise the price of crude oil by 4 Dominican pesos a barrel has already been announced.

Robles expressed doubts that the Dominican Government will be able to absorb a further rise in the price of oil.



**DIPLOMATIC CHANGES, EMBASSY SECURITY DISCUSSED**

PA261829 San Salvador LA PRENSA GRAFICA in Spanish 18 Feb 80 p 28 PA

[Text] Salvadoran Foreign Minister Dr Fidel Chavez Mena yesterday reported that the changes and transfers in the foreign service are continuing and that the approval of friendly countries is expected for the appointment of new ambassadors.

He added that the Foreign Ministry is waiting for the approval of the governments of Great Britain, Egypt, Italy, France, Spain, Argentina, Uruguay, Brazil and Colombia to announce the appointments and transfers of the Salvadoran ambassadors in those nations.

He said Ambassador Dr Guillermo Paz Larin will stay in Mexico even though it had been announced that he would be transferred to Brazil. Mr Mauricio Castro Aragon has been changed in Bolivia. Dr Mauricio Rosales has been appointed ambassador to the United Nations to replace Dr Rafael Urquiza who resigned.

He said the ambassadors to the United States and the OAS have yet to be appointed. Roberto Quinonez Meza and Dr Sidney Mazzini held those two posts.

Regarding the permanence of the OAS military observers on the Salvadoran-Honduran border, Foreign Minister Chavez Mena said a new 6-month period has already begun in January. For the past 2 years, 11 OAS military observers have been stationed on the border to prevent clashes between the armies of the two countries or any other type of incident.

The foreign minister also said the campaign being carried out through the embassies to project a positive image of El Salvador has been intensified. "A joint effort with the Information Secretariat is being carried out to improve our country's foreign image through the embassies. The foreign service must become more active abroad," he added.

Regarding the diplomatic corps' demand for greater police security in the embassies to prevent "occupations" by extremist groups, the foreign

minister said "the ambassadors have been invited to meet with government officials to discuss better protection measures." He said Under Secretary Dr Alejandro Gomez Vides has been meeting with the ambassadors to find more feasible ways to offer greater security to the diplomats.

A few days ago, the British Government transferred its embassy to Costa Rica and the FRG has transferred its embassy to Guatemala due to the uncertainty in the country regarding security for the diplomatic corps.

CSO: 3010

**BPR COLUMN DISCUSSES PEOPLE'S STRUGGLE**

San Salvador LA PRENSA GRAFICA in Spanish 16 Jan 80 p 43

[BPR [Popular Revolutionary Bloc] Column: "The People Will Not Retreat Before the Repression of the Oligarchy and Imperialism"]

[Text] As a desperate solution to the political-economic crisis that day by day was shaking their foundations, the oligarchy and imperialism have launched a furious attack against the popular revolutionary movement. The people had defeated the counterrevolutionary maneuvers of the junta with their constant and combative actions. Now they are trying to recover with the help of recalcitrant sectors of the Christian Democrats and to bathe in blood the hopes for freedom of an entire nation.

When the new puppets took their oaths of office in the Presidential House on 9 January, the COPEFA murderers read a message in which they spoke of the "common good" and the creation of the "new man" in El Salvador. They cynically stated, moreover, that they had not committed any violation of human rights since 15 October. However, the facts speak for themselves.

**Repression Against the Working Class**

They are applying new repressive methods. Thus, they are causing the indiscriminate closure of factories, without regard for the fact that hundreds of workers are being put out of work, leaving dozens of humble families adrift whose only support are these few cents that the exploiters are denying them. All this with the sole aim of destroying the embryonic labor unions of the workers. A clear example of this is the case of the workers of APLAR, where the exploiting owners have threatened to close the plant and take it out of the country. The workers continued to promote their struggle to make their rights respected, and it is the same with IMES, FUTESA, GRIBAL and the attempt to shut down AINCO. The exploiting owners close factories in order to destroy the union organization, leave thousands without employment, and later reopen under another name.

## **Military Occupations Continue in the Countryside**

As if this were not enough, the Salvadoran countryside has been converted into a training camp for the counterrevolutionary armed forces. The Las Vueltas districts in the department of Chalatenango have been under military occupation since 29 December. In San Estaban Catarina in San Vicente the criminals even raided churches and destroyed photographs of Frs. Rutilio Grande and Alfonso Navarro. Many are missing, families are separated—he, dead or in prison, she and the children fleeing to the mountains, suffering from hunger and the cold. Along with these annihilating sweeps, they have started a campaign of lies and distortions in the press for the purpose of justifying most cruel actions, as in the case of San Pedro Perulapan. Let us not forget that the armed forces, beholden to the oligarchy, have acted brutally in order to guarantee the tranquility of their masters, and dozens of squatter sites have been cleared since they took power.

## **The Situation of the People of Tugurios Is Also One of Repression and Misery**

In addition, the people of Tugurios have been dislodged from their sites with armored cars and at gunpoint. Without regard for the shelter needed by children and pregnant women, the fascist sectors of the armed forces have mounted military operations to dislodge humble families, as is the case in the land south of Metrocentro. This was accompanied by cynical lies by the director of Military Civic Action. The residents, in their just struggle, sought a dialogue with Mayor Ray Prendes to improve their condition; however, they only received insults, lies, and an intransigent attitude in reply.

This is the kind of human rights the oligarchy and their fascist puppet colonels preach!

## **The People Will Not Retreat Before the Repression of the Oligarchy and Imperialism**

The popular response to these repressive and reformist actions is to increase combative actions, building up a deep consciousness on the only alternative for improving the condition of misery and injustice which enslaving capitalism imposes: the installation of a popular government of workers and peasants. As a result of the attacks of the gangsters, our people have decided on a historical move of profound significance: the first steps are being taken to coordinate the actions of the popular and democratic organizations, coordination that will undoubtedly result in a popular torrent that will overthrow bourgeois political power and install a truly popular and revolutionary government for the benefit of all social classes and levels that have been oppressed and dispossessed in this enslaving capitalist system.

The people are aware that the only solution is revolution and not imperialist maneuvers!



## **Final Call**

Therefore, the Popular Revolutionary Bloc calls upon all sectors of our nation—workers, peasants, settlers, the market women, teachers, public, private, and municipal employees, Christians, intellectuals, students, small farmers, small businessmen, honest sectors of the youthful military. Our struggle is not against you. Our enemies, who are the enemies of the entire people are the oligarchy and imperialism. Toward them we must direct our attacks; only in this way will we build a nation for all: a Socialist Nation.

Popular Revolutionary Bloc, El Salvador, Central America, 12 January 1980

Secretary General Juan Angel Chacon, card 1-7-016274;  
Secretary of Propaganda Raul Baires, card 1-1-218513;  
Secretary of Finances Elcona Hernandez, card 6-6-004141;  
Secretary of Control Jose Maravilla, card 1-4-039294;  
Marcos Antonio Portillo, card 4-1-029648.

9015

CSO: 3010

## EL SALVADOR

### MLP LEADER VIEWS TROUBLED POLITICAL SITUATION

PA232229 Paris AFP in Spanish 1921 GMT 23 Feb 80 PA

[Report by special correspondent Gilberto Lopez]

[Excerpt] San Salvador, 22 Feb (AFP)—International pressure is the only force capable of averting a rightist coup in El Salvador, Jose Mario Lopez, Peoples Liberation Movement (MLP) leader, has announced here.

The U.S. Government would be left without a program [as received] if the most conservative sectors of the armed forces and private enterprise were to seize power, he added, recalling recent statements by the State Department in support of the current Christian Democrat military junta governing El Salvador.

The armed forces high command appears to have recognized this pressure on reiterating recently to AFP that they seek to confront the troubled situation in this small Central American country without a new coup d'etat.

Efforts along this line thus far have been aimed at preventing the possible departure of the Christian Democrats from the government. Some party sectors are in favor of leaving, believing they lack sufficient armed forces support to carry out the agrarian reform, banking nationalization and other transformations decreed last 11 February.

The eventual departure of Christian Democrats from the government was described here by the leader of the MLP, leftist organization which is not part of the revolutionary coordination board, as the source of a new conflict and increasingly rightist trend in the government. This, he added, would lead to still more bloodshed, because the popular sectors are obviously now much better organized.

The Christian Democrats' departure from the government would also signify a loss of Venezuelan and Costa Rican support. Salvadoran Foreign Minister Fidel Chavez Mena recently visited Costa Rica in a bid to get the

support of the social democrats, according to statements by former Costa Rican President Jose Figueres.

The MLP leader recalled that a rightist coup would also require a purge of the progressive wing of the armed forces. Any solution to the crisis must necessarily pass through the army, he said, and the military are being pressured from the United States, Mexico, Venezuela and Costa Rica to reject rightist pressures.

The MLP spokesman came out in favor of a political program, particularly a leftist government platform and recalled that El Salvador is not like Nicaragua where everyone was against Somozism.

The only proposition concerning this known thus far is the United Peoples Action Front (FAPU) proposal calling for a national salvation government. This, however, has been rejected by the other leftist parties, he said in conclusion.

CSO: 3010

**FPL LISTS MAJOR TASKS OF REVOLUTION**

PA262344 San Salvador API NEWS in Spanish 22 Feb 80 p 398 PA

[Excerpts] San Salvador, 22 Feb (API NEWS)--Ranking leaders of the Farabundo Marti Peoples Liberation Forces [FPL] believes that revolutionary struggle in El Salvador has entered a "higher stage."

They say it is "a preinsurrectional phase" in which "the people should not only become more fully and decidedly involved in the prolonged peoples warfare at all political-military levels but also prepare for the most difficult and glorious fighting that will lead them to victory and political power."

They recount events here from the coup d'etat against Molina [as published] to date and they point out the tasks that lie ahead for the people.

The FPL news organ, EL REBELDE, analyzes the regime's crisis and the development of the revolution.

**What Tasks Lie Ahead for the People Today**

"Revolutionary struggle has entered a higher stage in the country. It is a preinsurrectional phase in which the people should not only become more fully and decidedly involved in the prolonged peoples war at all political-military levels but also prepare for the more difficult and glorious fighting that will lead them to victory and political power."

"Therefore the major tasks include: 1. Making enormous efforts to unite the revolutionary forces: national resistance, Communist Party of El Salvador, Revolutionary Peoples Army and FPL within the framework of the political-military strategy against: the oligarchy, the fascist forces and imperialism.

**To Achieve a Peoples, Revolutionary Government With a Broad Social Base**

2. To join with determination the squads of the Peoples Liberation Army that is being formed and will deal crushing blows to the oppressive forces.



3. To massively join the groups and brigades of the peoples liberation militias and self-defense and promote: [as published]

4. Join the mass revolutionary organizations in factories, farms, schools, markets, hospitals and other job sites to set up a popular revolutionary front and to organize the masses in city and countryside neighborhoods, the residential areas, boulevards [pasajes], buildings, blocks, townships, valleys and districts.

5. All the people, women, men, the elderly, youth and children, should increase their unconditional support for the revolutionary forces. All the people should actively cooperate with the patriots who are fighting to have a fairer government, the popular revolutionary government.

Every door should remain open to the revolutionaries. Every home should do the honorable duty of receiving and welcoming revolutionaries. Let everyone offer his home for carrying out revolutionary activities. Let us hide the persecuted, take care of the injured, transport revolutionary combatants. Let us all help the popular fighters to fight the forces of repression and exploiters.

6. The priority political tasks of the people include: The fight against genocidal repression. The fight for the release of political prisoners. The fight to see criminals punished. The denunciation of every injustice of the exploiters and crimes of the tyranny. The fight against every instance of psychological warfare and confusing actions undertaken by the counterrevolutionary forces.

7. The people must continue and intensify their struggle for their most basic needs, pay raises, social benefits, humane treatment on the job, decreases in staple prices and so forth.

8. The democratic and progressive forces should repudiate the reactionary efforts to win them over, intimidate them or stop them. They should approach the general process of the peoples revolutionary struggle to participate in it for a popular revolutionary, antioligarchic and anti-imperialist government."

CSO: 3010

EL SALVADOR

**JUNTA ISSUES COMMUNIQUE ON BANKING SYSTEM**

PA270043 Panama City ACAN in Spanish 2346 GMT 26 Feb 80 PA

[Text] San Salvador, 26 Feb (ACAN-EFE)--The revolutionary junta today denounced a campaign aimed at "artificially promoting confusion and distrust" among the customers of the Salvadoran banking system.

A communique issued by the junta tells the public that they should not believe false rumors or lend themselves to the maneuvers of those who pretend to be conducting public opinion polls in order to confuse the people who save or deposit money.

The present government is opposed by the economically powerful banking sector which opposes the announced nationalization of Salvadoran banks.

Part of the campaign against the nationalization of the banks would be the alleged "poll" being conducted apparently by technical or scientific organizations which have focused their polls and publications on the topic of the nationalization of Salvadoran banks.

The junta communique tells the people that they can rest assured because bank deposits are guaranteed by the Central Reserve Bank of El Salvador.

CSO: 3010

**SUPREME COURT ANNOUNCES NEW JUDICIAL APPOINTMENTS**

San Salvador LA PRENSA GRAFICA in Spanish 31 Jan 80 pp 2,21, 23

[Text] Yesterday the Supreme Court of Justice announced many changes in El Salvador's capital and throughout the country in the judges of the civil, penal, traffic, labor, housing, first instance (combined) and peace courts.

The agreement was reached on 26 January and is being finalized today. It was announced that, for the first time, all judges appointed or transferred to other headquarters will be sworn in this morning at 1100 hours by Dr Miguel Antonio Granillo, the Supreme Court's chief justice.

Of the capital's seven justices of the peace, only Dr Celinda Gloria Hernandez de Canas was replaced, her replacement being Dr Edgar Gutierrez Moran. The other six will continue in office.

There were also changes among the justices of the peace of Santa Ana, Ahuachapan, Usulután and San Vicente.

Agreements Nos 7-C and 6 reached by the Supreme Court of Justice read textually as follows:

No 7-C. Supreme Court of Justice: San Salvador, 26 January 1980. The court agrees:

1. To appoint Dr Jorge Armando Angel Calderon as third civil court judge of this district as a replacement for Dr Carlos Guerra. (Item 1 Subno 5)
2. To appoint Dr Max Lothar Burgos as fourth civil court judge of this district as a replacement for Dr Julio Cesar Valdivieso Castaneda, who is transferred to another court. (Item 1 of Subno 6)
3. To transfer Dr Rene Zeledon Castro from the housing court, headquartered in this city, to the fifth civil court of this district in place of Dr. Santiago Mendoza Aguilar, who is going to another court. (Item 1 Subno 7)

4. To appoint Dr Ernesto Alfonso Buitrago as fifth penal court judge of this district in place of Dr Francisco Salvador Tovar. (Item 1 Subno 13)
5. To transfer Dr Santiago Mendoza Aguilar of the fifth civil court of this district to the seventh penal court of the same district in place of Dr Manuel Antonio Murga. (Item 1 Subno 15)
6. To transfer Dr Miguel Angel Pineda Lima from the labor court, headquartered in Nueva San Salvador, to the first labor court, headquartered in this city, in place of Dr Tito Sanchez Valencia, who is going to another court. (Item 1 Subno 16)
7. To appoint Dr Jorge Antonio Guevara Perla to the vacant position of third labor court judge, with headquarters in this city. (Item 1 Subno 18)
8. To appoint Dr Ricardo Parada Sandoval as first traffic court judge, with headquarters in this city, as replacement for Dr Jose Angel Vanegas Guzman. (Item 1 Subno 12)
9. To transfer Dr Juan Armando Mata Elias from the court of first instance of the district of Ilobasco to the second traffic court, headquartered in this city, in place of Dr Andres Soriano Navidad. (Item 1 Subno 24)
10. To transfer Dr Julio Cesar Valdivieso Castaneda from the fourth civil court of this district to the housing court, headquartered in this city, in the place of Dr Rene Zeledon Castro, who is going to another court. (Item 1 Subno 20).
11. To appoint Dr Roberto Ovidio Mendoza judge of the court of first instance of the district of Tonacatepeque in place of Joaquin Enrique Medina Melendez. (Item 4 Subno 1)
12. To transfer Dr Gonzalo Mejia Nolasco from the court of first instance of the district of Santiago de Maria to the court of first instance of Berlin in place of Dr Horacio Amilcar Larios. (Item 4 Subno 15)
13. To appoint Dr Guillermo Alfonso Santos judge of the court of first instance of the district of Santiago de Maria in place of Dr Gonzalo Mejia Nolasco, who is going to another court. (Item 4 Subno 17).
14. To transfer Dr Atilio Rigoberto Quintanilla from the court of first instance of Dulce Nombre de Maria to the court of first instance of the district of Nueva San Salvador in place of Dr Arymundo Antonio Rodriguez Barrera. (Item 3 Subno 9)
15. To transfer Dr Edgar Hernan Varela, judge of first instance of the district of Armenia, to the second court of first instance of the district of Nueva San Salvador in place of Dr Jose Miguel Diaz Sol Jr. (Item 3 Subno 10)



16. To transfer Dr Tito Sanchez Valencia from the first labor court, headquartered in this city, to the labor court headquartered in Nueva San Salvador in place of Dr Miguel Angel Pineda Lima, who is going to another court. (Item 3 Subno 11)
17. To transfer Dr Miguel Alfonso Linares Salazar from the court of first instance of the district of Jucuapa to the court of first instance of the district of Quezaltepeque in place of Dr Jose Antonio Mena. (Item 4 Subno 11)
18. To appoint Dr Daniel Gonzalez Romero first penal court judge of the district of San Vicente in place of Dr Mario Adalberto Rivera, who is going to another court. (Item 3 Subno 19)
19. To transfer Dr Gloria Palacios Alfara from the court of first instance of the district of Chalatenango to the court of first instance of the district of San Sebastian (San Vicente Department) in place of Aracely Antonio Castillo Inestroza. (Item 4 Subno 14)
20. To appoint Dr Ines Taura de Cuchilla judge of first instance of the district of Chalatenango in place of Dr Gloria Palacios Alfaro, who is going to another court. (Item 3 Subno 8)
21. To appoint Dr Rogelio Iraheta Moreno judge of first instance of the district of Dulce Nombre de Maria in place of Dr Atilio Rigoberto Quintanilla, who is going to another court. (Item 4 Subno 9)
22. To transfer Dr Felipe Roberto Lopez Argueta from the second penal court of the district of Santa Ana to the second civil court of the same district in place of Dr Salvador Humberto Rosales. (Item 2 Subno 2)
23. To transfer Orlando Ernesto Lemus Herrera from the court of first instance of the district of Atiquizaya to the second penal court of the district of Santa Ana in place of Dr Felipe Roberto Lopez Argueta, who is going to another court. (Item 2 Subno 5)
24. To appoint Dr Dora Silvia Henriquez Dominguez de Torres (resigning as first justice of the peace of Santa Ana) as judge of the labor court of the district of Santa Ana in place of Dr Edgar Gutierrez Moran, who is going to another court. (Item 2 Subno 6)
25. To appoint Dr Jose Ernesto Figueroa Alvarez judge of first instance of the district of Chalchuapa in place of Dr Otto Salvador Carcamo Rodriguez. (Item 4 Subno 2)
26. To appoint Juan Carlos Solano Marciano judge of first instance of Atiquizaya in place of Dr Orlando Ernesto Lemus Herrera, who is going to another court. (Item 3 Subno 1)

27. To appoint Dr Jesus Arquimides Madrid Umana as first penal court judge of Sonsonate as a replacement for Dr Edgar Iglesias Rivera, who is going to another court. (Item 3 Subno 4)

28. To appoint Dr Carlos Bove Ticas judge of the labor court of the district of Sonsonate in filling that vacancy. (Item 3 Subno 6)

29. To transfer Dr Edgar Iglesias Rivera from the first penal court of the district of Sonsonate to the court of first instance of the district of Armenia as a replacement for Dr Edgar Hernan Varela, who is going to another court. (Item 3 Subno 6)

30. To appoint Dr Guillermo Arevalo Dominguez judge of first instance of the district of Ilobasco in place of Dr Juan Armando Mata Elias, who is going to another court. (Item 4 Subno 13)

31. To transfer Dr Mario Adalberto Rivera from the first penal court of the district of San Vicente to the court of first instance of the district of Jucuapa as a replacement for Dr Miguel Alfonso Linares Salazar, who is going to another court. (Item 4 Subno 16)

Drs Jorge Armando Angel Calderon, Max Lothar Burgos, Ernesto Alfonso Buitrago, Jorge Antonio Guevara Perla, Ricardo Parada Sandoval, Roberto Ovidio Mendoza, Guillermo Alfaro Santos, Daniel Gonzalez Romero, Ines Taura de Cuchilla, Rogelio Iraheta Moreno, Dora Silvia Henriquez Dominguez de Torres, Jose Ernesto Figueroa Alvarez, Juan Carlos Solano Marciano, Jesus Arquimides Madrid Umana, Carlos Bove Ticas and Guillermo Arevalo Dominguez will take the oath before the chief justice of this court and will begin to draw their salaries as soon as they take over their respective offices, receiving first category pay.

#### The Appointments

Agreement No 6 states the following:

Supreme Court of Justice: Sal Salvador, 26 January 1980. The court agrees to make the following appointments for justice of the peace:

1. Dr Edgar Gutierrez Moran is appointed sixth justice of the peace in this city in place of Dr Celinda Gloria Hernandez de Canas. (Item 1 Subno 6)

2. Dr Jaime Bernardo Oliva is appointed first justice of the peace of Santa Ana in place of Dr Dora Silvia Henriquez Dominguez, who is going to another court. (Item 2 Subno 3)

3. Dr Samuel Godoy Lara is appointed second justice of the peace of Santa Ana in place of Joaquin Martinez. (Item 2 Subno 4)

4. Julio Cesar Flores is appointed justice of the peace of Ahuachapan in place of Jose Roberto Hernandez Escamilla. (Item 3 Subno 1)

5. Oscar Garcia is appointed second justice of the peace of Usulután in place of Salvador Caceres. (Item 3 Subno 10).

6. Jose Adalberto Lopez Hernandez is appointed second justice of the peace of San Vicente in place of Juan de la Cruz Acevedo. (Item 3 Subno 7)

The appointees will take the oath before the chief justice of this court and, as soon as they take over their respective offices, will begin to receive the salaries indicated by the above item numbers and subnumbers, implementing the figures of code 80-030-54-103-15-103-030-011 of the fiscal budget in effect, program 1.03 wage law, and they will be reimbursed by the corresponding departmental disbursement offices, except for the sixth justice of the peace of this city who will be paid by the disbursement office of the Isidro Menendez Judicial Center.

The appointees must show proof that they have no other employment in the central government, in self-employment organizations or in any municipality. Thus is it communicated.

8568

CSO: 3010

BRIEFS

**LOSS OF CREDIBILITY ANALYZED**--According to charts supplied by the banks and the saving system, out of 4.5 million inhabitants of El Salvador some 2 million are economically active. In other words, 2 million Salvadorans who have had confidence in the banking system are going to be deprived of their financial and credit institutions. The confidence of those 2 million Salvadorans is going to be lost because it must be borne in mind that as soon as the banks are nationalized a large number of deposits will be withdrawn from banks and hidden in jars, as in the colonial era when that was the only safe way to put one's money away. More than once we have said: There are more than 14 bigwigs in El Salvador. Everyone is a bigwig, and we are certain that because of this collective characteristic El Salvador will come out of this mistaken situation that the winds of hate have forced us to. This is what those who are ruling us through a blind and unfortunate fate do not know, because they think they are repositories of public confidence, the holders of the magic formula to solve all the problems that have accumulated over a century of indifference and are the saviours of the republic. I call the moneyed class the oligarchy, that is to say, government by a handful, and it includes those who are in power now because they are a few and cannot even make a show of hands to win the confidence of the public. The armed forces should think about this and weigh the strange situation in which it finds itself. [Excerpts] [PA282217 San Salvador DIARIO LATINO in Spanish 27 Feb 80 p 7 PA]

**DEMONSTRATION AGAINST U.S. AID**--San Salvador, 27 Feb (ACAN-EFE)--Members of the women's front, one of the branches of the rightists National Broad Front (FAN), staged a small demonstration on Wednesday afternoon outside the U.S. Embassy here, in which they requested that no economic aid be given to the Revolutionary Government Junta. The women held posters that read "Fatherland Yes, Communism No," "We Do Not Want 50 Million," and "Down With Carter." The United States will grant El Salvador \$50 million for an emergency program of the junta to develop the nation's most needy sectors. [Text] [PA280425 Panama City ACAN in Spanish 0145 GMT 28 Feb 80 PA]



**ARCHBISHOP'S SCHOOL STAND OPPOSED**—Many members of parents associations of several Catholic schools in San Salvador are concerned with recent statements made by Monsignor Romero, archbishop of San Salvador, in the sense that "schools should be ready to serve as hospitals." Monsignor Romero has gone to some schools and on other occasions he has sent special delegations. According to reports, the mission in both cases is the same: To have schools collect as many sheets as possible for wounded "because the schools could serve as hospitals during an emergency." Although some schools have "gone along with such suggestions," it is affirmed, the delegations have not had any effect on other schools where, on the contrary, they have encountered resistance to such measures, because the schools were made for youths to study and not to be turned into hospitals as "if we were at war." [Excerpt] [PA270010 San Salvador DIARIO DE HOY in Spanish 26 Feb 80 pp 5, 13 PA]

CSO: 3010

**GRENADA**

**EEC LOAN TO BENEFIT COUNTRY'S WARD ISLANDS**

FL251055 Bridgetown ADVOCATE-NEWS in English 21 Feb 80 p 3 FL

[Text] St Georges, Grenada, 20 Feb (CANA)—Grenada's Ward Islands of Carriacou and Petit Martinique are to benefit from a loan from the European Economic Community (EEC), a government release here said.

The EEC loan of EC\$12.5 million (US\$4.5 million) was announced last week following talks between a delegation from the community and the Grenada Government.

In detailing what it intends to do with the money, the government said that Carriacou and petit Martinique will get a new fishing jetty, all the roads there will be repaired, a medical clinic, and community centres will be built and a telephone link provided with the rest of the world.

The release said that additional community centres would also be built in Grenada, the School of Agriculture expanded, a road building programme extended, library facilities improved and an educational film centre established.

The EEC loan is provided for under the Lomé 2 convention—a trade and aid pact between the Community and 58 developing nations in Africa, the Caribbean and the Pacific (ACP).

CSO: 3020

## GRENADA

### BRIEFS

**LOW INCOME HOUSING LAUNCHED**—Grenada has launched an EC\$4 million low income housing project with the clearing of three sites and mass production of blocks, the Government Information Service (GIS) reported. The money for the project has been raised by the People's Revolutionary Government (P.R.G.) from three local commercial banks. Each institution has loaned \$1.2 million with the additional quarter million being raised through the Organisation of Petroleum Exporting Countries (OPEC). More than 300 houses will be built, the GIS said. The project is part of government's massive housing programme which is to cost over EC47.5 million dollars. The total programme consists of three other projects two in house repairs and a civil service loan project. [Text] [FL251100 Bridgetown ADVOCATE-NEWS in English 21 Feb 80 p 3 FL]

CSO: 3020

## GUATEMALA

### BRIEFS

**PEASANTS TO GET LAND**--Some 5,000 peasant families in El Quiche will be given plots of land in the northern strip, Luis Felipe Escobar, national agrarian transformation institute president, has reported. To date, some 70,218 hectares of land have been distributed in that department to 3,090 families, a total of 16,996 people. This land was turned over to peasants who need it and who are now working it with the [words indistinct] and technical aid from (IGSA) and economic aid from the National Development Bank. [Excerpt] [PA290129 Guatemala City Domestic Service in Spanish 1230 GMT 28 Feb 80 PA]

CSO: 3010



COMMENTARY HITS EXTREMISTS FOR PEASANT LAND TAKEOVERS

PA261536 Tegucigalpa Domestic Service in Spanish 1145 GMT 26 Feb 80 PA

[Commentary]

[Text] In the past few days there have been land invasions by peasant organizations in over half the departments. According to the leaders, 300 groups are involved in the actions and they plan to take over 10,000 hectares of land. They say these violent actions are occurring because the spring farming season is coming and they have no land to grow grains. Meanwhile, their requests for land are bogged down at the National Agrarian Institute [INA].

For INA officials, things are not as easy as the peasant leaders think. If land reform merely distributed vacant state-owned land plots, perhaps by now every peasant family would have its own lot. Their dreams would have come true. Justice would have been done. However, a genuine land reform, foreseen as a way of achieving social justice and promoting production, would not be implemented.

Extremist demagoguery is trying to convince peasants not to concede anything in their demands for land and if the government does not accede good-naturedly, they should take over the land by force. The law not only bans arbitrary occupations but also disqualifies peasants involved in violent takeovers from acquiring land grants. The reason for this is that the government is not trying to hoodwink anybody while demagogues are bent on misusing land reform as a political tool to fool the unwary and to create animosity toward and problems for public officials. If privately owned lands are invaded, that is a flagrant violation of the right of the lawful owners and if the government does not step in to put things in order, chaos and disorder would follow.

Another frequent occurrence is the arbitrary takeover of state-owned land. To avoid problems, the government might well look the other way and let the squatters go on thinking they are legitimate owners. Nothing would be easier for the government to cope with the attacks of its adversaries than to provide what they would regard as equal justice for all. But the

government cannot be that irresponsible. The military government plans to promote land reform and it cannot evade the duty of doing it integrally.

What would peasants gain by just having a plot of land? What would the nation gain by just knowing each peasant has received a plot of state-owned land? This is what many still refuse to understand. Land reform, which goes beyond the piece of paper on which it is written and goes beyond superficial demagoguery, does not just tell peasants: Here you have a plot of land. Does that save him from poverty? Does that turn him into a production factor? On the contrary, it creates problems for him and enhances his despair.

The government therefore is dutybound to enable him to produce by providing credit, technical assistance, equipment, seed, fertilizer, proper training and anything else needed for the rational exploitation of the soil. If, in addition to that, in many places one has to begin by building a communications system, health centers and schools, (establishing) marketing systems and creating a surveillance corps, one can clearly see that land reform is not easy as some think or as easy as inciting innocent peasants to revolt in the countryside merely by invading lands.

The INA has formally promised to grant land to peasants who still do not own any and it is to be expected it will do so in time for the next harvest. A meeting has been scheduled with representatives of the peasant organizations that have a legal status to find solutions to current problems. Therefore it is suggested they keep calm and use their common sense. Thus, through dialog [words indistinct] to coordinate views to bolster land reform instead of ruining it through hastiness and taking extremist and illegal actions.

No one should forget that the military government still considers peaceable and orderly land reform to be a priority so its effects can be long-lasting and really benefit the peasantry. This is a difficult reform because it is based on real accomplishments. It is not the easy reform based on demagogic adventure nor the insubstantial rhetorical reform that fills but does not feed, and deludes but is not convincing.

CSO: 3010

## HONDURAS

### COMMENTARY VIEWS BORDER CONFLICT WITH EL SALVADOR

PA261949 Tegucigalpa Domestic Service in Spanish 0400 GMT 26 Feb 80 PA

#### [Commentary]

[Text] Honduras solved its border problems with Nicaragua and Guatemala on 23 December 1906 and 23 January 1933, respectively. The legal validity of the decision of the arbitrator, Spanish King Alphonse XIII, which the two countries are bound by and which put to an end the conflict with Nicaragua, was ratified by a ruling of the International Court of Justice in The Hague on 18 November 1960.

The border conflict with El Salvador remains unsolved despite efforts made since 1961. Various types of factors have stood in the way of the treaties and meetings aimed at solving the issue once and for all. One of the latest agreements include the Amatillo treaty of 24 June 1972.

Honduras has always advocated the prompt solution of the thorny problem. Its actions have been characterized by seriousness and good will at all international forums. Its delegates have always been concerned with upholding the good name and prestige of the fatherland. Renowned jurists from the Foreign Ministry have remained ready to defend our sovereignty and territorial integrity through meetings in several countries of the continent, and from their centers of studies and research at the territorial studies commission. Our internationalists are remaining on their feet willing to defend the beloved interests of Honduras. Outstanding professionals in the field of engineering have also taken the same stand. All of them, comprising a single will and [words indistinct] which are highly patriotic.

Honduras has never tried to expand its territory in any way. Any act of conquest in this regard, violates international law. The Hondurans, repeatedly demonstrating their fraternal Central American feeling, have always wanted to solve the border conflict with El Salvador based on justice and respect. Hondurans abide by the principles established by international law. Honduras does not aspire to 1 inch which is not its own sacred territory.

The procedure established in the mediation agreement is underway. The illustrious Peruvian lawyer, Jose Luis Bustamante y Rivero, is the mediator. His professional and political personality is the best guarantee to reach a just and satisfactory agreement for the very old claims of our country. Dr Bustamante y Rivero is not empowered to solve the problem but he is capable of giving the best recommendations which may serve to definitely end with this complex problem.

We hope that Honduras and El Salvador will be able to write, based on wisdom and justice, a brilliant page for the history of international law in the continent.

Foreign Minister Eliseo Perez Cadalso is now in charge of conducting Honduras' efforts during the verbal stage of the mediation. Our country has the sufficient documents required to advance in the loyal defense of our sovereignty and territorial integrity. The Honduran people trust that we will successfully reach the moment of decision in the negotiations to solve the border problem with El Salvador. The government of the republic and the Honduran people are united in their watch for the defense of the blessed Honduran lands.

CSO: 3010



JAMAICA

PARTY OFFICIAL INTERVIEWED ON VISIT TO IRAQ

LD271235 Baghdad AL-THAWRAH in Arabic 20 Feb 80 p 4 LD

[Interview with Jamaican People's National Party General Secretary Dr Duncan by 'AL-THAWRAH' during his recent visit to Iraq—date not given]

[Excerpts] [Question] In your opinion, what kind of a relationship must be established between the Ba'th Party and the Jamaican People's National Party? What are your impressions of the Iraqi revolution's national and socialist achievements?

[Answer] As you might remember, Jamaican Prime Minister and People's National Party leader Manley paid an official visit to Iraq toward the end of October last year. During the visit several meetings were held with representatives of the Ba'th Party resulting in agreement to continue to hold meetings to strengthen the developing relations between our two parties. We feel that the principles and ideals upheld by your party and ours are fundamentally compatible. Both of us are struggling to build a free democratic society having socialist principles. These are basic aims because we belong to the Third World and represent a progressive party, people and government. We also feel that it is in our interest and in the interest of the developing countries to strengthen the relations between us. We also value and support the Ba'th Party's role to unite the Arab nation. We have been impressed by the firm principled stand your party and revolution have adopted in supporting revolutionary movements in Africa as well as by the firm attitude your party and people have assumed toward progressive movements in the Third World in general. The next nonaligned conference will be held in Baghdad in 1982. We are looking forward to further relations of struggle between our two parties and peoples. We will also present the ideal picture of the leadership of your progressive and revolutionary President Saddam Husayn to the Jamaican people and government. The purpose of my visit is to deepen and develop the existing relations between our two parties.

We have been given the opportunity to present a picture of the political and economic situation in Jamaica to the [Ba'th Party] national command. In Jamaica we are facing strong pressures because our economy is closely linked with the capitalist economy. Our Prime Minister Manley asked us to convey to the Ba'th Party command our party's views on the current situation and

the difficulties we are facing for the aforementioned reason. We have discussed these matters and the question of strengthening economic relations between our two peoples. We have invited your party leadership to participate in our annual conference which will be held in Jamaica in September. I would like to reassert our party's desire to have your party participate in our conference. We regard our visit to Iraq as extremely fruitful in terms of its objectives.

[Question] Undoubtedly, Iraq and Jamaica have made good progress in joint struggle cooperation with regard to various just liberation issues. How do you assess the present situation? What is your party's view of the Arab struggle and the movement to liberate the Arab territories which have been usurped by the racist Zionist entity?

[Answer] As our Prime Minister Manley pointed out during his visit to Iraq last October and as we pointed out during the 1979 Havana nonaligned conference, we emphasize our complete understanding of and declare our full support for the Arab issue which has been expressed by the Ba'th Party, and particularly your central issue--the Palestinian cause. In our belief in the principles of nonalignment we believe that there can be no just solution or decision if the Palestinian people's inalienable rights to return to their country are not taken into consideration. We support the Palestinian Arab people's struggle to achieve their aims. We also support their right to be fully represented at all international forums and conferences, as our party leader has asserted on numerous international occasions.

We also support the Palestinian people's struggle against all kinds of oppression and hope that it will not be long before the Palestinians achieve their just aims. We also declare our support for the Arab nation's unity and independence.

[Question] A few days ago struggler President Saddam Husayn announced a national charter containing the bases of joint Arab action to confront the national and international changes in present circumstances when signs of cold war between the opposed international blocs and attempts to interfere in the affairs of small states are increasing. How do you view this national and humanitarian charter in terms of its emphasis on the role of the national will in strengthening and building the requisites of the independence, sovereignty and basic interests of the Arab nation?

[Answer] We feel any step that is taken to establish sound bases for unity among the Arab countries and that contributes to strengthening and promoting international security and peace is an important step that is necessary for the advancement of the whole world. On this basis we support the national charter because we believe that the bases propounded by struggle President Saddam Husayn are sound and constitute an important step not only in asserting the unity of the Arab nation but also in enhancing understanding and cooperation among the world states.

## BRIEFS

**ALUMINUM INVESTMENTS**--The government and Reynolds Metal Company are to begin preliminary discussions on Sunday regarding new investments at (Alfac's) aluminum plant in St Elizabeth. Prime Minister Manley and [Mining] Minister Horace Clarke will represent the government while the Reynolds team will be led by its president (John Blumquist). Mr Clarke told JBC [Jamaica Broadcasting Corporation] news today that the proposed investment would be directed at upgrading and refurbishing the (Alfac) plant. Reynolds metals is one of the three alumina companies that form the (Alfac) consortium and are currently responsible for the managing of the St Elizabeth plant. Meanwhile, production and export in the bauxite industry last year were slightly below that for 1978 and this has been attributed to a fall in the target set by (Alfac). A release from the Jamaica Bauxite Institute notes that the total volume of bauxite mined last year was 11.53 million metric tons. In this respect, a decrease of 1.8 percent over the previous year. Bauxite exports for 1979 stood at 6.74 million tons, a slight increase over the previous year's figure of 6.45 million tons [words indistinct] (3.7) percent less than that for 1978. All bauxite exports went to the United States while alumina was shipped to Britain, Norway, Canada, Venezuela, Ghana, Trinidad and Tobago, the Netherlands, France and the Dominican Republic. [Excerpts] [FL230021 Kingston Domestic Service in English 2230 GMT 22 Feb 80 FL]

CSO: 3020

**ROBELO EXPLAINS MDN STAND ON REVOLUTION**

PA261731 Managua LA PRENSA in Spanish 15 Feb 80 p 7 PA

[Article by Vindel Matus]

[Excerpts] Jinotega—Alfonso Robelo Callejas, founder of the Nicaraguan Democratic Movement (MDN) and member of the junta of the government of national reconstruction, came to Jinotega on 10 February. In the La Salle High School auditorium, he discussed his political view as a true democrat.

He explained that the MDN is not divorced from the struggle, noting that the work at hand is to pursue socialism with freedom.

He said the revolution has made no commitment to uphold privileges because revolution means change and the transformation of unfair structures. A new society without privileges will be created in Nicaragua, he said.

He added that pluralism is very important in the Nicaraguan revolution and everyone should realize that the primary challenge to this revolution is national reconstruction.

He said his movement does not defend class interests. It welcomes all democratic elements. It is comprised of men who are really identified with this revolution.

Their commitment is to the people, the large majority of the workers and peasants. They are committed to work for collective and not for individualistic interests for which there is no room in the new Nicaragua we are building.

Robelo Callejas noted that a basic tenet is respect for free speech but not license. His movement favors constructive criticism because that promotes good government. His movement favors political freedom and respect for other ideologies so one's own can be respected. They want freedom of religion and worship. In this revolution one can be a Christian and yet truly revolutionary.



There should be freedom of education. In other words, parents should be able to send their children to school wherever they want. There should be freedom to migrate but he said our work is here in Nicaragua. However, no objections can be made to those who want to leave the country.

He said the right to private property should exist as long as it serves the common good. The benefit derived from the sources of wealth should be distributed. We are moving toward socialism with freedom, he said.

He said the main problem of Nicaraguans and the government junta is economic, namely, production.

With faith in our Sandinist peoples revolution, Robelo Callejas clearly stated that we should shed our class interests and serve the national interest, break with past injustices and organize an egalitarian and one-class society. He closed with Gen Augusto Cesar Sandino's words: Homeland and freedom!

CSO: 3010

**NICARAGUA**

**COMMUNIQUE CALLS FOR CHARGES TO BE FILED AGAINST SOMOZISTS**

**PA261650 Managua Radio Sandino in Spanish 0300 GMT 26 Feb 80 PA**

**[Interior Ministry communique issued in Managua on 25 February 1980]**

**[Text] To citizens whose property, person or relatives were affected by the criminal bombing by the Somozist National Guard:**

**To individuals or groups of persons who were deprived of their lands or who were persecuted in any way by the corrupt previous regime; to victims of the abuses of power of all kinds which were committed daily against the citizenry by generals, colonels or other National Guard officers or civilian officials of the Somozist regime who have not yet been imprisoned:**

**The Central Public Order Headquarters of the Sandinist Police hereby informs the citizenry that it has created the special accusations [denuncias] section in the press and public relations department to gather all possible information regarding such crimes committed against our people by the Somozists and their Nicaraguan and foreign cohorts. Accusations must be made in person and must be verified with the cooperation of the accuser.**

**The section will operate effective today in the C-7 section of the former (Tapas) commercial center, with the following initial schedule: from 1630 to 1830, Monday through Friday.**

**We hope that the citizenry will extend the support that the revolutionary government needs to unmask these criminals and bring them to trial.**

**[Signed] Francisco Javier Alvarado, deputy chief, public order, Sandinist Police**

**CSO: 3010**

## NICARAGUA

### CITIZEN GROUPS CRITICIZE PERFORMANCE OF LOCAL JUNTAS

PA270217 Managua Radio Sandino in Spanish 1800 GMT 26 Feb 80 PA

[Text] From La Concha, it has been learned that popular organizations have expressed a lack of confidence in the members of the local junta of that town. The members of the junta have been described as incompetent.

In various cities and towns, the citizenry, exercising the people's power, have dismissed the members of the local government and replaced them with individuals who have a greater commitment to the people's cause and who are more efficient in performing public duties.

In the specific case of La Concha, the Masaya Departmental Committee of the Sandinist National Liberation Front [FSLN] has asked popular organizations to play a more critical and less passive role in public affairs by participating in the various community activities. This would prevent the commission of errors that generate civil discontent.

The FSLN departmental committee of Masaya will turn over to the officials in charge of the Sandinist Defense Committee a number of instructions to be followed in the popular consultation process regarding the problem of the junta. The measures will be taken with an eye to having the process reflect the true feeling of the people, thereby strengthening the process' democratic character.

The instructions will reportedly be delivered at 1700 today at the school in La Concha.

CSO: 3010

**MILLIONAIRE ALFREDO PELAS TO DONATE PROPERTY TO STATE**

PA270309 Managua Radio Corporacion in Spanish 1200 GMT 21 Feb 80 PA

[Text] Government sources yesterday told this station that millionaire Alfredo Pelas will donate all his lands to the Nicaraguan state. What is the total size and worth of Pelas' property? The answer to this question is quite difficult because he has property in several areas of the country and an inventory would have to be made of all of them.

Mr Alfredo Pelas is expected to arrive in Nicaragua tomorrow. He will begin to turn over his properties during the following days. The Housing and Settlements Ministry will be among the state institutions which will receive the properties.

According to our source, when one speaks of the donation of land by Pelas, this does not include the San Antonio sugar mill. Mr Pelas is the one who practically controls the San Antonio sugar mill since he has the support of most of the stockholders.

Who is millionaire Alfredo Pelas? During the 45 years of death and destruction, there was only one man whose wealth could be compared to Somoza's money and investments. That man was Alfredo Pelas, who will now donate his lands to the state. The San Antonio sugar mill, Tona Beer, Flor de Cana Rum, Banco de America, Casa Pelas and many other powerful firms were synonymous with the name Alfredo Pelas. How much are they all worth? It is difficult to say.

This station learned from sources close to the millionaire, who is currently in the United States, that the firm Alfredo Pelas y Compania, Sociedad General de Comercio paid 8 million cordobas in income tax during the next to last fiscal period. The same sources added that he paid almost 200,000 cordobas in personal income tax during that same period. We say the next to last fiscal period because we learned that neither Mr Alfredo Pelas nor his companies have filed income tax declarations during the last fiscal period. Why? We will have to ask that question of Pelas when he returns to Nicaragua tomorrow. The government is giving facilities for the payment of income taxes to those who donate land. It might be that Mr Pelas will take advantage of this.



## NICARAGUA

### HOUSING MINISTER REPORTS ON RESULTS OF CUBAN VISIT

PA261717 Managua BARRICADA in Spanish 16 Feb 80 p 3 PA

[Text] A delegation of the Housing and Settlements Ministry headed by Companero Minister Miguel Ernesto Vigil visited Cuba on 3-11 February at the invitation of the Cuban Construction Industry. The 10-member delegation found all doors open to learn about the solution the Cubans have given to their housing problems and which can be applied in Nicaragua.

Minister Vigil said that "the most interesting thing we learned in Cuba was the relationship between the housing and the production process. This is practiced to such an extent that the Construction Ministry and the Housing Vice Ministry officials are not the ones who award the housing. Instead, the unions do this as a prize to the best workers."

"The Cubans are building houses with a system that uses prefabricated material. This is not applicable here because we have a high unemployment rate. Nevertheless, we have to think of the not too distant future when there will be no unemployment problem here. Meanwhile, we have to use construction systems which demand large numbers of unskilled labor."

[Question] What characteristics of Cuban housing can be applied in Nicaragua?

[Answer] One of the most interesting aspects of Cuban housing is its egalitarian characteristic. Housing makes the Cuban citizens all equal. Cuban housing consists of some 80 square meters but several stories high. In Nicaragua we start off with smaller houses but with land in which the owner can expand his house however he likes. Another very important aspect is that housing meets a number of requirements which makes housing in rural and urban areas the same.

[Question] What lessons are applicable to the Agrarian Reform Institute (INRA) and its policy of rural settlements?

[Answer] The Cuban policy has started with the same view of our revolution, that is, to group the peasants in rural centers where services can be provided such as child development centers, schools, health centers, recreation centers and other services which would be impossible to provide to a widely dispersed population.

[Question] What can we Nicaraguans expect from our Cuban brothers in the housing field?

[Answer] Cuba is willing to provide technical assistance in land management and social, physical and urban planning.

[Question] What are your general impressions of your visit to Cuba?

[Answer] What caught our attention on this trip was the affection and interest in Cuba for anything dealing with Nicaragua. I got the impression that they saw us as they were 20 years ago. That gives rise to a special affection toward us. Their affection, the desire to help us and teach us all that practice has taught them is what impressed us the most on our trip to Cuba.

CSO: 3010

## NICARAGUA

### WHEELLOCK COMMENTS ON AGRARIAN REFORM SEMINAR

PA261726 Managua BARRICADA in Spanish 13 Feb 80 pp 1, 5 PA

[Text] The seminar on landholding and agrarian reform in Latin America ended yesterday with the participation of Commander of the Revolution Jaime Wheelock, the agricultural development minister, and Humberto Ortega and Luis Carrion Cruz, commander and deputy commander of the Sandinist Peoples Army, respectively.

During yesterday's session, five work groups were formed to reach some conclusions of what was discussed during the seminar.

The objective of the seminar was to obtain lessons and experiences from all those places where agrarian reforms have been carried out. The seminar was very important due to the presence of distinguished authorities on agrarian reform including Companeros Jacques Chonchol and David Baytleman of the Chilean cabinet of Salvador Allende, Solon Barraclough with experience in Chile, Jose Maria Caballero of Peru, and Arturo Wasman and Patrick Tisser with experience in Mexico and China.

The seminar was closed by Commander of the Revolution Jaime Wheelock, agricultural development and agrarian reform minister, who summarized the socioeconomic characteristics of Nicaraguan society and the principal advances and problems dealing with the agrarian reform process.

Commander Wheelock indicated that the seminar was extremely timely and it helped find solutions for Nicaragua's agrarian reform problems through theory or comparative experience.

He said the Agrarian Reform Institute has closely listened to the discussions on the relationship between political factors and the balance of forces which have a positive or negative effect on the general reforms.

Wheelock said that "what guarantees our revolutionary process and the agrarian reform in particular is the nature of the legitimate and authentically revolutionary power which has been established in

Nicaragua. The workers and the peasants are armed not only with a concept of change but they are also armed with rifles and are organized in an army. This guarantees our people, government and national directorate's political and revolutionary determination to promote the revolutionary process and the agrarian reform to their ultimate conclusion."

In his speech, Commander Wheelock also discussed some limitations on the development of the agrarian reform process in Nicaragua.

Among those limitations he stressed the economic conditions left by the war and the age-old conflict for the control of the national territory by foreign powers. He said the speed of our revolution depends on the social change which occurs in the world, particularly in Latin America.

"We cannot advance," he said, "in a unilateral manner without waiting for definite advances by the progressive and democratic forces in the world in general and in Latin America in particular."

"We have also closely listened to accounts of experiences on the organization of the state in order to have a better utilization of institutional efforts which almost always appear confused or spread among many projects at the beginning of a revolutionary process," Wheelock said.

Minister Wheelock stressed that it is difficult to make the masses see that they must work harder, that there is a revolution and that they must have confidence in the revolution which will benefit them in the areas where there is no housing, health services and where we cannot yet take a social welfare package.

He also noted the institutional defects which exist in our government and added that they are justifiable due to the conditions he pointed out earlier.

He said it was very worthwhile to have learned the experiences of Chile, Mexico, Peru, Syria and other countries "which have provided positive or negative lessons."

He stressed that "history shows that people tend to use their negative experiences and change them into lessons."

He added that "the experiences of other people have helped us even though our agrarian reform has different characteristics. We have begun the agrarian reform with the confiscation of land of the Somozists and not with limits on landholdings. We also found those lands in full production so we had to deal with the administration and production of those lands."



He also said the agrarian reform has structural and productive limitations due to the differences in agricultural exploitation in Nicaragua. In the Pacific area there is intense exploitation for export by farm workers (most of the economically active population) while there are other more underdeveloped areas where there is a different situation, he said.

"We believe," he said, "that we must combine agricultural work with collective work in associations, cooperatives and so on to facilitate an increase of the workers' consciousness."

He said "the Nicaraguan agrarian reform must be carried out in the places where the country's agricultural population is located."

He said that "if we compare our country with the developing countries we will see that Nicaragua is an underdeveloped country but that Nicaragua practices a high technology agriculture which exists with communities which live from hunting and fishing."

He said the Agrarian Reform Institute believes it must promote highly developed agriculture because of the increasing inflation of capitalist countries which control the international market.

He said an essential concern of the Nicaraguan agrarian reform process is the organization of work but above all a change to harmonious relationships between administrators and workers at this time.

CSO: 3010

# CATTLEMEN CRITICIZE ECONOMIC SITUATION

PA290017 Managua Radio Corporacion in Spanish 1200 GMT 25 Feb 80 PA

[Text] The Federation of Nicaraguan Cattlemen's Association held a working session yesterday in El Sauce. Discussions dealt more with strictly political matters than with association affairs. Discussion among the large number of participants was thus highly heated.

The government junta was represented by Companero Moises Hassan, who at one point had to take a firm stand when one of the cattlemen tried to shout him down, almost snatching the microphone away from Hassan in order to interrupt him.

The first few speeches were on industry-related matters, but most of them, like the speeches made by Juan Tijerino, Andres Tejeira, Manuel Callejas, Adrian Valdivia and others, were primarily political.

They spoke of the need for political pluralism, the existing fear of investing in agriculture, the prevalence of a climate of mistrust and the urgent need for a civil protection law [ley de amparo]. They even attacked the Sandinist Defense Committees [CDS].

Odel Incer Barquero, one of the other speakers who is the brother of Roberto Incer Barquero, former president of the Central Bank during the Somoza period, even said his family's name had been damned and he had been denied the devalued money to which he is entitled.

In brief, lengthy diatribes by the cattlemen were the order of the day in El Sauce yesterday.

During the meeting the federation made two specific decisions. One was to set aside 12 cordobas per processed head of cattle beginning 1 March for a period of 3 months. According to the cattlemen, the accumulated money would be a contribution to the fund for the great literacy campaign. This resolution was delivered in person to Companero Moises Hassan, member of the government junta.

According to a report by Dr Herberto Incer of Afagan [presumably the federation], 10 cordobas per hex<sup>2</sup> could total approximately 200,000 per month. In other words, the cattlemen would be donating 600,000 to the literacy campaign.

The federation proposed to the government junta, represented by Companero Moises Hassan, that Zelaya Department be divided into two departments, with the Rio Grande of Matagalpa serving as the dividing line. The cattlement said the northern portion should be called Sandino Department, and the southern portion Fonseca Department, in honor of General Sandino and Carlos Fonseca Amador, respectively.

For historical background, it should be noted that Zelaya Department, known during the British period as Mosquitia, was named in honor of Gen Jose Santos Zelaya, since it was under his administration that Nicaragua recovered the territory that had previously been held by the British.

In one presentation on the status of the dairy industry in Nicaragua, Companero Faustino Tapia said that at present only 17,000 gallons of milk are being produced daily, in comparison with the previous figure of 40,000 gallons a day, representing a deficit of 23,000 gallons.

According to Companero Tapia, Nicaragua needs 30,000 milk cows in order to balance its production. He said this could only be achieved through heavy credit injections by the state.

It is because of this that there is a continuous shortage of milk throughout the country, particularly in the capital, where housewives are often unable to find even a single liter of milk for their children.

The meeting, attended by some 2,000 persons, was very heated. One critical point came when Manuel Callejas, a cattleman from Granada, said Commander Borge's promise of the return of a house had not been fulfilled.

When Companero Moises Hassan again took the microphone to explain this failure to comply, Callejas interrupted him, causing an incident. Here is a recording-- first the cattleman speaks, then Moises Hassan and then the cattleman again: [Begin recording] [Callejas] I did not say that it should be returned to the association. The association was expropriated. We want it for those of us who remain, for those of us who are not Somozists need some support, and he said we would have this support in the form of the return of the house. That is the minimum you can give us. We need not only the house, but more, a subsidy that will allow us to form a large federation. [applause]

[Hassan] In the first place, I would like to say, Companero, that we should maintain some composure in our actions. I did not come here to shout at you, or to attempt to intimidate anyone. I am certain that many of you who are raising your voices in this manner would not have dared to do so to even the political chief of your department [presumably under Somoza]. Therefore, let us please have a conversation, a dialog. Let us talk like people who know how to respect each other. We are not going to have any shouting or any impositions. Let this be very clear. We came here for a dialog. I did not come here for anyone to shout at me or tweak my ear.

And now I am going to continue: Commander Borge may have said at the moment that he would perhaps make an effort to obtain a reversal of the jur'a decree. But no minister of this government can say--and I am sure Commander Borge did

not say--something that goes against a junta decree. He can say: I am going to speak, I am going to use my good offices to have this decree reconsidered, amended or modified. He cannot say that the decree is modified. He cannot say: that house belongs to you. He cannot say this. And the most he could have said was that he would make an effort to achieve a rectification. If he said otherwise, it was a mistake, because a government junta decree can only be rectified or abolished by the government junta. [applause]

[Callejas] I would like to say that this is my normal tone of voice, Sir. You have your tone of voice and I have mine. I would like to apologize to you if you believed I was being disorderly. However, I would like to say that we were not told that the matter would be reconsidered, but that the house would be given to us. [end recording]

CSO: 3010



## NICARAGUA

### ARTICLE SURVEYS NATION'S BANANA PRODUCTION, EXPORTS

Panama City LA ESTRELLA DE PANAMA in Spanish 20 Jan 80 pp C-1, C-3

[Article by Arnaldo Chibbarco]

[Text] During the 1940's, several factors—including some of an ecological nature, for it was the time of the appearance of the Panama disease, and there were problems with resistance to fungus and of infestation of the soil—led to the departure of the multinational firm from Nicaragua and the abandonment of the plantations on the Atlantic coast, which resulted in a 20-year hiatus in commercial banana production in the country.

It was only after 1964 that Nicaraguan farmers resumed production of bananas for export, this time in the Chinandega area on the Pacific coast. So that the fruit could be placed abroad, marketing contracts were signed among the producers, the government and the United Fruit Company. On the basis of them, the company exported, in 1967, the equivalent of 20,000 boxes per week through the port of Corinto. However, at the end of the 1960's this multinational firm did not renew the marketing contracts with the government and the producers, ceasing its involvement with bananas in Nicaragua.

As a result of United Fruit's halting of operations, the National Development Institute (INFONAC), a government economic development organ, took over, for a short time and without much success, the exportation of bananas produced by private farmers in the Changuinola area. It did this until the early 1970's, when it reached an agreement with the American multinational firm the Standard Fruit Company, a subsidiary of Castle and Cooke. The firm began to operate under a "system of association" with the Nicaraguan producers, taking over all exportation of Nicaraguan bananas.

#### II. Economic Significance of Banana Activity

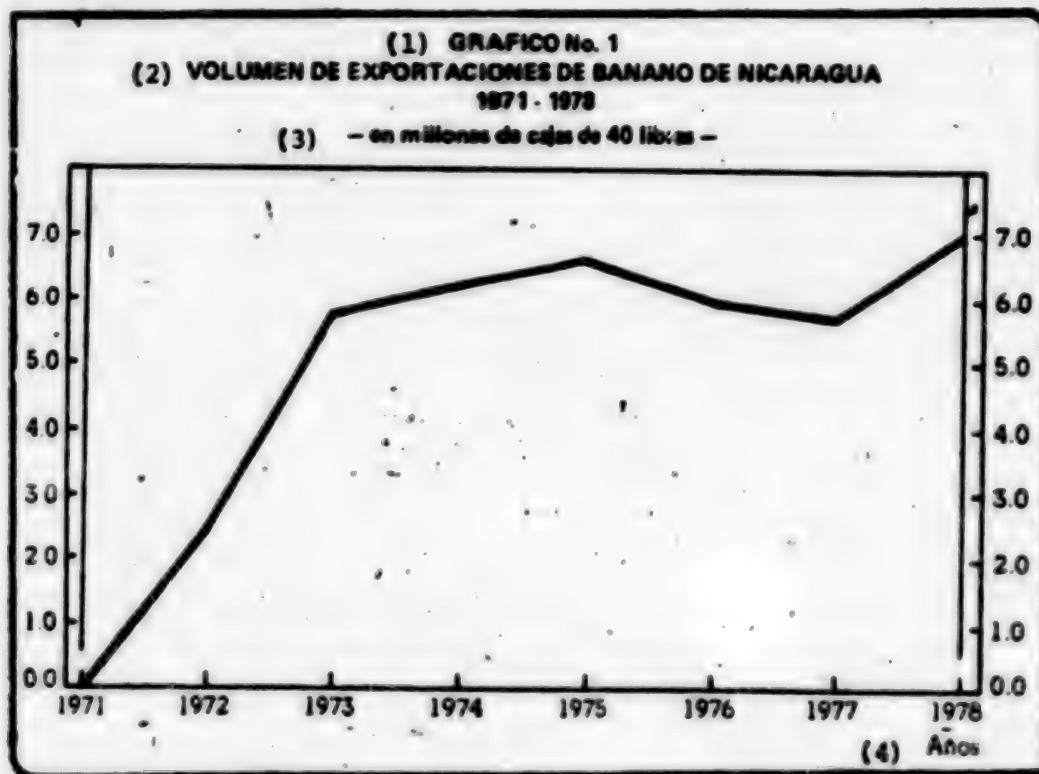
The introduction of scientific and technical methods into banana production in 1970-71 marked a new stage in the qualitative and quantitative

development of Nicaraguan production for export. It was favored, too, by the advantages of its proximity to the markets on the west coast of the United States, even though this has customarily benefited the marketing firm more than the Nicaraguan producers. Exports, which before 1971 were insignificant and reflected what was almost back-yard production, made a gigantic leap in 1972 and 1973, reaching nearly 6 million boxes per year, a level which was maintained until 1977. In 1978-79, despite the violent political situation, exportable production rose even further to around 7 million boxes, predicted exports for 1980 being on the order of 8 million boxes.



With this volume, which accounts for approximately 2 percent of worldwide exports, in 1977 and 1978 Nicaragua occupied 11th place among the world's

banana exporters, a level close to that of Brazil, Guadalupe, Jamaica and the Ivory Coast. With respect to the countries making up the UPEB [Union of Banana-Exporting Countries], sales of Nicaraguan bananas in 1977 were equal to approximately 4 percent of the total exported by that organization in that year. This represented 11 percent of exports from Costa Rica; Honduras, 15 percent; Panama, 19 percent; Colombia, 24 percent; 41 percent of Guatemala's exports; and nearly seven times those of the Dominican Republic.



Key:

1. Graph No. 1.
2. Volume of Nicaraguan Banana Exports, 1971-1978.
3. In Millions of 40-pound Boxes.
4. Years.

The high competitiveness Nicaragua's geographical location gives it with respect to other suppliers, and which makes Nicaragua a natural source of bananas for the west coast of North America, a region it can supply regularly even at relatively small export volumes such as the present one, has resulted in that market's having absorbed practically all Nicaraguan banana exports during all these years.

Table 1  
Nicaraguan and World Banana Exports  
(1972-1978)  
In Millions of 40-pound Boxes

(1) PAIS	1972	1973	1974	1975	1976	1977	1978
COLOMBIA	11.2	11.3	15.8	19.5	22.7	24.1	31.8
COSTA RICA	82.9	87.8	82.3	84.4	88.2	83.4	82.7
GUATEMALA	12.8	11.7	14.0	11.2	11.9	13.8	13.7
HONDURAS	48.6	48.4	35.3	28.4	22.1	28.1	28.7
PANAMA	32.0	28.5	23.5	27.7	28.8	28.3	34.4
REPUBLICA DOMINICANA	0.8	1.2	1.5	1.3	1.5	0.9	0.8
U P E S	188.1	188.9	141.9	134.5	183.8	181.7	172.7
NICARAGUA	2.4	5.8	6.3	6.8	8.8	8.7	7.8
OTROS (2)	188.4	185.2	285.8	288.8	188.6	187.9	288.1
TOTAL	388.9	387.9	384.8	389.7	382.8	388.3	388.8

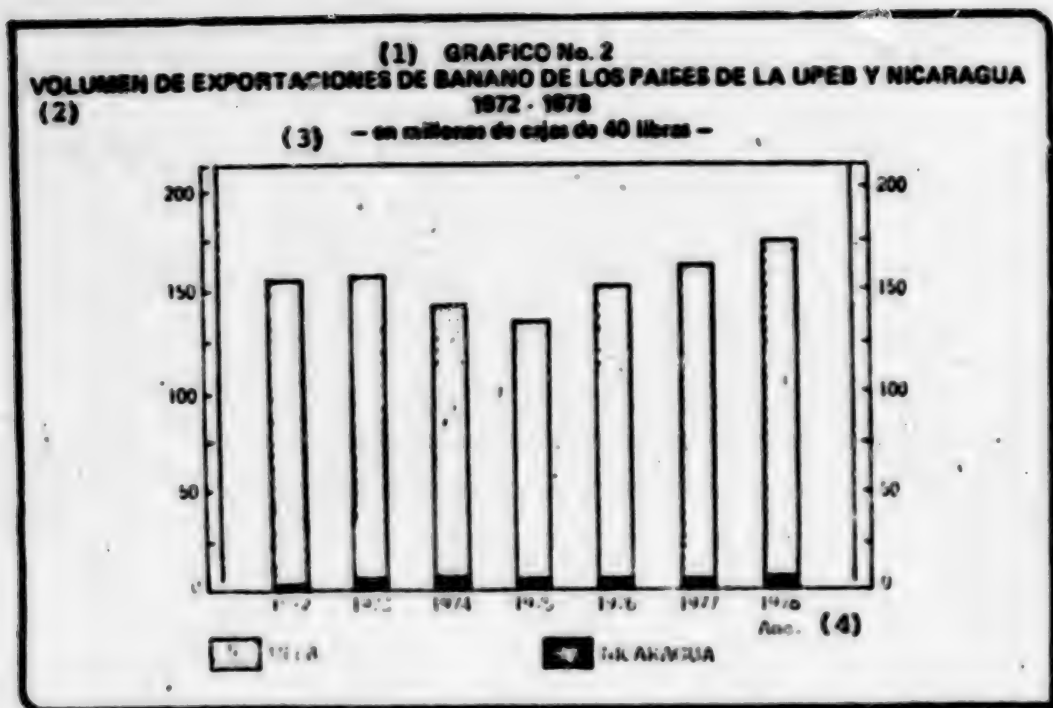
**Key:**

1. Country.
2. Others.

From the standpoint of the national economy, banana production probably does not seem to be an essential, high-priority activity for Nicaragua. In 1977, the last relatively normal year for the Nicaraguan economy before the violent events of 1978-79, exports of bananas accounted--according to the FOB value declared by the marketing firm--for less than 1 percent of the country's total exports. On the other hand, coffee accounted for over 31 percent; cotton, nearly 24 percent; meat, around 6 percent; and sugar, over 4 percent. Although the volume of such products as coffee can be determined by situations relatively dependent on the international price, and despite the fact that average FOB prices paid to banana producers in other Central American countries (as well as average prices for bananas in the American market in 1977) were sufficiently higher than those derived from the value/quantity ratio for Nicaraguan exports that year, it is a fact that exports of various agricultural and industrial products exceeded exports of bananas, which accounted for only a little over 1 percent of farm production and a markedly lower percentage of the total GDP.

On the other hand, and without overlooking the statistical indicators mentioned above, activity involving bananas is a not insignificant source





Key:

1. Graph No. 2.
2. Volume of Banana Exports from Nicaragua and UPEB Countries, 1972-1978.
3. In Millions of 40-pound Boxes
4. Years.

of foreign exchange and jobs, particularly considering the present state of the Nicaraguan economy which--as is indicated by reports by the United Nations and other international bodies--has been impaired by the violent political situation of recent years. In this regard, the approximately 3000 jobs the banana industry now directly provides and the \$20 million or more that banana exports can generate, according to average FOB prices in the area, are undoubtedly an important economic factor for the country. To them we can add the potential represented by the banana industry as an indirect generator of jobs (production of cardboard cartons, plastic bags, fertilizers and pesticides, provision of transportation, etc.) and the advantage that bananas, a year-round crop, have over seasonal crops with regard to job security in agriculture.

### III. Location, Infrastructure and Characteristics of Production

All present production of bananas for export takes place in Changuinola Department (as published)--also a center of cotton cultivation--on the northwestern slope of the Pacific coast of Nicaragua. The area under cultivation embraces about 2800 hectares distributed through 15 farms,

Table 2  
Nicaragua: Selected Leading Exports  
(In Millions of Dollars, FOB)

	1960-1977							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ARO	Exportes Totales	Bananas <sup>(1)</sup>	Algodón	Café	Carne de vacuno	Azúcar	Camarón y langostinos	Tobacco
1960	62.9	8.1	14.7	19.2	2.3	3.4	-	-
1965	148.9	9.8	65.3	28.2	6.7	6.5	2.1	-
1970	178.6	9.3	34.2	22.1	28.6	9.8	5.9	1.9
1971	187.2	-	41.3	29.3	28.7	11.6	5.8	9.8
1972	249.4	3.4	62.9	22.1	28.3	16.2	6.7	3.6
1973	277.9	5.6	62.2	44.6	44.5	12.5	7.2	2.9
1974	389.9	5.3	125.9	48.1	21.9	12.3	8.7	3.9
1975	378.2	4.9	1.8	48.1	27.6	42.6	14.9	4.1
1976	541.9	4.8	120.6	119.4	27.6	62.8	19.7	4.7
1977	638.8	4.5	188.6	188.9	27.3	27.8	22.0	4.5

Source: Statistical Yearbook of Nicaraguan Foreign Trade--1977

(1) Declared value according to reports.

Key:

- |                   |                        |
|-------------------|------------------------|
| 1. Year.          | 6. Beef.               |
| 2. Total exports. | 7. Sugar.              |
| 3. Bananas.       | 8. Shrimp and lobster. |
| 4. Cotton.        | 9. Tobacco.            |
| 5. Coffee         |                        |

with a high average productivity on the order of 2800 boxes per hectares year. These farms are located at distances ranging from 20 to 55 km from the port of Corinto, the embarkation point for shipment of the fruit abroad.

In general, the area has natural conditions favorable to good banana production with respect to temperatures, rainfall, soils, light, and so forth. Perhaps the only negative factors worth mentioning are the need of artificial irrigation during the dry season (particularly in April) to compensate for the lack of moisture, the winds that lash the area during that same season and the rather low nighttime temperatures between December and February.

The plantations--in which the Cavendish variety clearly predominates--are characterized by their healthy conditions for cultivation and the marked uniformity of the plants and the fruit. They also have an efficient infrastructure for intraplantation transport and packing based on a system of man-powered cableways and on one or two packing plants per plantation. There is also a fungicide-mixing plant to cover the needs of controlling the Sigatoka fungus throughout the area.

More recently, some farms have begun to employ modern agricultural practices on a commercial scale, such as the introduction of the Grande Naine variety, double-row cultivation, overhead support and mechanized application of herbicides. On a smaller scale, the drip system of irrigation has also been put into practice as a means of supplying water and applying fertilizer.

At the same time, the network of paved roads facilitates transportation from the plantation to the port in trucks that can be unloaded very quickly by mechanical means through the system of trays on which the boxes are loaded. This, combined with the port facilities available at Corinto--such as a roofed storage area for 45,000 boxes and a loading system, also covered, whose four branches of transport belts have a loading capacity of 2000 to 2500 boxes per hour each--protects the quality of the fruit and insures smooth, rapid preparation for shipment to foreign markets.

To provide a sense of the present situation, it should be noted that, unlike other sectors of the Nicaraguan economy, the banana industry did not suffer increased damage as a result of the political violence. The only exception was the supply of cardboard cartons, which was temporarily affected by the destruction of the factory which produced them.

#### IV. Structure of Ownership and Production and Marketing System

For the last 9 years, marketing abroad of Nicaraguan bananas has been handled by the Standard Fruit Company, the only multinational banana firm operating in the country.

Although the land is owned by the Nicaraguan farmers, the working of it for the production of bananas has been the responsibility of and carried out by joint companies set up between each of the landowners and the marketing firm, which establishes the standards, methods and administration of the production process.

Each firm owns the areas under cultivation and the installation on each plantation except for the packing plants--and, in its capacity as producer, it is responsible for the process of cultivation, cutting, packing and shipping the fruit until its FOB sale to Standard Fruit in Corinto. For transport to the port and for the loading operation, the companies contract for the services of vans owned by private individuals, and they use the port equipment belonging to and operated by the Nicaraguan government.

At the same time, the marketing firm provides the producing companies with technical advice as well as packing materials and infrastructure, aerial fumigation for control of Sigatoka and such supplies as fertilizers and nematocides, under a system similar to that known in other banana regions of Central America whereby this type of service is normally considered a part of the price that the marketing firm pays the producer.

In financial terms, the relationship described is expressed in a fixed

price that the owner of the plantation receives as rent for the land (in 1978 it was estimated at approximately 8¢ for each box exported), in the amount that the producing company receives from the marketing firm as the price for the fruit delivered FOB-Corinto (in 1978 it was estimated at approximately \$1.15 per 40-lb box), in a quality bonus that the marketing firm pays the producer (in 1978 it was estimated at somewhat over 2¢ per box) and in the cost of the supplies and services that the marketing firm supplies to the producing company.

(This system of banana production and marketing applied in Nicaragua during this decade is similar to that of other Central American countries. There are also differences, however, that in one way or another influence the effect of this activity on the national economy and the standard of living of the labor force. For example--aside from any comparison of wages, prices paid the producer, foreign exchange earned per box, etc.--it should be recalled that the Nicaraguan economy and banana workers and producers have been deprived of considerable income during these years because, unlike such other countries in the region as Costa Rica, Honduras, Guatemala and Panama, Nicaragua has failed to tax banana exports and thus narrow, in one way or another, the gap between what the producing countries receive and the final price of bananas.)

Finally, it should be pointed out that the measures adopted in recent months by the new Nicaraguan Government of National Reconstruction concerning foreign trade, particularly the assumption by the government of responsibility for exportation of the various agricultural products, the creation of a cabinet-level agency to direct foreign trade policy involving staples, including bananas, and the creation of specialized state export enterprises, introduce new factors that, although they have not yet altered the banana-marketing system operating in Nicaragua, will undoubtedly affect the banana industry.

#### V. Nicaragua's Relationship with the UPEB

Nicaragua was one of the countries that initially took part in the efforts made by the leading Latin-American exporters in the early 1970's to obtain higher prices and a more stable market for bananas.

Like Ecuador, it participated in March 1974, along with Colombia, Costa Rica, Guatemala, Honduras and Panama, in the First Meeting of Ministers of Latin-American Banana-Producing Countries, and it joined them in signing the Panama Agreement, in which it was decided to increase banana prices by means of an export tax or equivalent measures; to create an organization of banana-exporting countries; and to attempt to find support for the Panama Agreement among other banana-exporting countries. Later that month, Nicaragua ratified the agreement in Tegucigalpa, along with Honduras, Costa Rica and Panama.

Subsequently, however, the same Nicaraguan Government that had signed and ratified the Panama Agreement failed to implement the measures called for



in it and took no part in the actions initiated by the other exporting countries. Consequently, it did not participate in the intergovernmental meeting, held in Panama in September 1974, at which the UPEB was created, nor did it sign the agreement establishing the organization. From then until August 1979, it was not a member.

On 11 August 1979, the junta of the Government of National Reconstruction formally requested membership for Nicaragua in the Union of Banana-Exporting Countries, in accordance with Article 3 of that body's charter.

On 20 October of the same year, at the Fifth Meeting of Ministers of the UPEB, held on Contadora Island, Panama, it was unanimously agreed that Nicaragua be allowed to join the organization. This was formalized with ratification of the UPEB charter, which was decreed by the Nicaraguan Government that same month.

Table 3  
Nicaragua: Socioeconomic Indicators

(1) Superficie: 138.800 kms.2	1969	1976	1977	1980 (a)
Población total (miles) (2)	1411	1638	2325	2588
Población económicamente activa (miles) (3)	—	548	714	789
Producto Interno bruto (4) (millones US\$ de 1978)	840	1808	2305	1802 <sup>(a)</sup>
PIB-Agropacuario (5) (millones US\$ de 1978)	188	357	484	480 <sup>(b)</sup>
PIB-per habitante (6) (US\$ de 1978)	595	578	991	741 <sup>(b)</sup>
Exportaciones de bienes (7) FOB (millones US\$)	63	179	337	579 <sup>(b)</sup>
Importaciones de bienes CIF (millones US\$) (8)	71	199	782	582 <sup>(b)</sup>

Source: ECLA Report E/ECLA/C, 1091 (First Evaluation)

- (a) Preliminary estimated figures from the first evaluation of situation performed by ECLA in August 1979 on the basis of data from the Central Bank of Nicaragua.
- (b) Preliminary estimate by the Central Bank of Nicaragua, assuming the beginning of an economic resurgence in 1980.

Key:

1. Area: 139,000 km<sup>2</sup>.
2. Total population (thousands).
3. Economically active population (thousands).
4. Gross domestic product (millions of 1978 dollars).
5. GDP-agriculture (millions of 1978 dollars).
6. GDP-per capita (1978 dollars).
7. Exports of goods, FOB (millions of dollars).
8. Imports of goods, CIF (millions of dollars).

The author is a Chilean economist who studied foreign trade in Berlin. He has served as a specialist in this field with the Central Bank of Chile and as an instructor in economic theory at the University of Marburg in the Federal Republic of Germany. He was a foreign trade advisor for the Institute of Agricultural Marketing of Panama and has worked with various Panamanian governmental agencies as an advisor in this field. He has also served as a UN consultant assisting with the organization of foreign trade activities in Nicaragua and the Dominican Republic and at various seminars concerning trade with nontraditional markets. At present, he is a UN official, and, as a marketing expert for the UNCTAD/UNEP [UN Development Program] Technical Assistance Project for the Union of Banana-Exporting Countries, has been furnishing advice to the UPES and COMUBANA for 3 years.

9086

CSC: 3010

**WORKERS DEMAND INVESTIGATION OF STANDARD STEEL COMPANY**

PA261745 Managua BARRICADA in Spanish 19 Feb 80 p 5 PA

[Text] The workers of the Standard Steel Company of Managua have asked the government authorities to investigate the activities of the owners because they are planning to close the factory and leave the workers unemployed.

As a way to pressure the government to investigate the company, the workers have symbolically occupied it (taking care of the production material of the factory) while an organized group of workers is involved in the production.

Companero Aristides Siu, president of the Union of Standard Steel Workers, said that management is using tricks so that raw material will not arrive in the factory and so that there will be no production as there should be in these times of economic crisis in the country.

The workers said that for the past 6 months, the managers of the company have not brought in raw material and have said that the ship bringing it suffered a mechanical failure and was unable to reach Nicaragua. The workers said they know the raw material is in Guatemala where management plans to open a new office furniture factory and to close the one here.

The workers are currently working at a reduced production level because in fact there is no raw material. BARRICADA's newsmen were clearly able to see this.

The workers said the company cannot continue this way because there is a good market for its product in the country. However, they added that management is taking the furniture to Costa Rica, Honduras and Guatemala without giving it the finishing touches since these are provided in those countries for a lower price.

While this occurs, furniture produced by the Costa Rican Robago, Metalin and Imperio companies is coming into Nicaragua.

The workers also charged that management is trying to take the company's machinery abroad. They also said that a shipment of furniture is ready to be exported but that they will not permit it to leave. They said they are asking for an immediate investigation of the company managed by Federico Lang and that in accordance with the results of the investigation, they will ask that the company be nationalized.

The workers also called representatives of the Labor Ministry who arrived in the factory and began to investigate the case. They were able to confirm that there is a very small amount of raw material for production compared to the large amounts which used to exist.

CSO: 3010



## NICARAGUA

### BRIEFS

**CONTINUED MEMBERSHIP IN COMMON MARKET**--Nicaragua will continue to be in the Central American Common Market, although it considers that its system is obsolete. The statement was made today at a news conference by Foreign Trade Minister Companero Alejandro Martinez Cuenca, who recently met in Costa Rica with his colleagues of the area to discuss the Common Market problems. Companero Martinez Cuenca feels that changes that should be made to the Central American Common Market are substantial; that they should serve the interests of its member nations, rather than be an obstacle to their development. The ministers of the area will meet in the second week of April in Managua to amend the present system of the Central American Common Market to conform to the changing situation underway in the area, as recommended by Nicaragua. [Text] [PA261735 Managua Domestic Service in Spanish 0330 GMT 26 Feb 80 PA]

**SPADAFORA READY TO DEFEND REVOLUTION**--Managua--We are ready to return to Nicaragua should the accomplices of imperialism try an invasion or any such action, said Hugo Spadafora during the christening of the new Panama District, in the southern part of Managua. Spadafora, who headed the Panamanian Victoriano Lorenzo Brigade during the civil war that culminated with the victory of the Sandinist guerrillas over the government of Anastasio Somoza, implied that his group could reappear in another Latin American country. We are ready to return to Nicaragua at any time, he said, and soon we will be in the north or south of the continent, keeping alive the flame of solidarity in Latin America, Spadafora concluded. [Text] [PA262012 Panama City Circuito RPC-TV in Spanish 1730 GMT 26 Feb 80 PA]

**SOMOZIST PRISONERS' REHABILITATION**--Somozist prisoners will be put to work to make desks. Those who are illiterate will be taught to read. They will also participate in activities of other types in order that they may be totally rehabilitated and able to be reincorporated into society when they have served their sentences. This announcement was made by Companero Jose Maria Alvarado, director of the national penitentiary system. He added that between 50 and 60 percent of the prisoners are unable to read or write and will be included in the literacy campaign. Alvarado added that so far 173 Somozist prisoners

have been brought to trial in the special courts, while 140 others have been released when it was found that they were not involved in serious violations under the previous administration. The present Somozist prisoners include approximately 100 women. [Text] [PA261716 Managua Radio Sandino in Spanish 1200 GMT 26 Feb 80 PA]

FRG FOUNDATION DONATION--Education Minister Carlos Tunnerman has announced that the Friedrich Ebert Foundation of the FRG has donated \$250,000 to be used for the literacy campaign. The money will be used to buy blackboards and literacy primers. [PA281321 Managua LA PRENSA in Spanish 17 Feb 80 p 6 PA]

FORMER AMBASSADOR REPORTS EXPERIENCES--Managua--The former Nicaraguan ambassador to Cuba, Carlos Rojas, this morning held an interesting conference at the Foreign Ministry to reveal his experiences in that sister nation. Companero Rojas said the Cuban Government and people are confident that the tasks of our revolution will continue to be yet in the best interests of our country. This concern is due to the great interest and admiration of the Cuban people and government for our revolutionary process. He added that one of his most memorable experiences was his contacts with factory workers, who have great revolutionary awareness and are doubling production levels in Cuba. [Text] [PA282054 Managua Radio Sandino in Spanish 1800 GMT 28 Feb 80 PA]

HOUSING MINISTRY WARNS LANDLORDS--The Housing and Settlement Ministry announces that in view of the arbitrary measures some landlords are taking against tenants, such as dismantling buildings, cutting off water and electric power and other measures to force the tenants to vacate, the housing office cites Article 60 on housing regulations of the National Emergency Law, which establishes that whoever violates rent and lease regulations established by the housing authorities will be fined the equivalent of 3 to 12 months' rent. It also announces that all eviction suits have been suspended for the life of this law. The housing office, in order to protect tenants, will enforce revolutionary justice on landlords who violate the law. Housing and Settlement Ministry. People, army and unity, guarantee of victory. [Text] [PA282220 Managua Radio Sandino in Spanish 1200 GMT 28 Feb 80 PA]

CORN IMPORTS FROM GUATEMALA--Managua, 26 Feb (ACAN-EFE)--It was announced here today that the Nicaraguan Government will import 50,000 quintals of white corn from Guatemala. The corn will begin arriving in Nicaragua on 3 March and the whole amount should arrive during the next 90 days. In order to meet domestic demand for this product, 13 trailers loaded with this cereal will arrive in Nicaragua daily. The grain will be stored in the Nicaraguan basic food enterprise warehouses. Nicaraguan crops of this staple were damaged by the effects of the war of liberation. Regions which were formerly traditional corn producers did not plant a single kernel. Although Nicaragua has not always had a surplus of grain, its traditional production has served to meet its own demands, but now there is a scarcity of this cereal. The government has been importing massive amounts of corn to meet domestic

market demands. The government has also passed laws establishing sentences of 2 and 3 years in prison for those who exploit the people's hunger. It has also set official prices for staple products. A pound of corn is quoted on the local market, according to the official price, at 2.85 cordobas (28 cents). [Text] [PA280450 Panama City ACAN in Spanish 0356 GMT 27 Feb 80 PA]

'LA PRENSA' WORKERS SCORE 'AP'--The workers of the newspaper LA PRENSA have assumed an aggressive attitude regarding an item published by the newspaper. The workers' reaction to the article published yesterday in LA PRENSA had a great impact among various sectors, especially in labor circles. LA PRENSA workers attached a footnote to an Associated Press (AP) article quoting the magazine NEWSWEEK, which presents an image of the Cuban revolution that does not conform to reality. In journalism, this can be done by publishing biased articles and news reports consisting of half-truths to confuse the people and to obstruct the revolutionary struggle of the people. This is typical of transnational news agencies. By quoting portions of speeches and isolated incidents which they combine with half-truths, they create their newscast analysis which is intended to misinform the people regarding achievements made in countries where the working class is in power. But the fact is, that they can no longer deceive the people, LA PRENSA workers indicated in the footnote to the AP article. We have to admit that the newsmen working for LA PRENSA are mostly true revolutionaries. Proof of this is the progressive attitude shown by the newspaper in most of its articles. There are a few exceptions but we already know who they are. They also deserve the criticism that LA PRENSA workers have made of biased journalism. Labor circles have admitted that real progress has been made by LA PRENSA by allowing its workers to express their views in the paper's columns. [Text] [PA290301 Managua Radio Sandino in Spanish 1200 GMT 28 Feb 80 PA]

PRISONERS WORKING ON ATLANTIC COAST--Some 20 prisoners are working in the construction of a military complex at Rosita on the Atlantic coast. They earn 20 cordobas a day plus their food. In this way, the prisoners, who are serving their sentences, become productive and earn money for themselves or to help their families. Most of them are charged with political crimes but there are a few being punished for common crimes. [Text] [PA290336 Managua Radio Corporacion in Spanish 1200 GMT 25 Feb 80 PA]

NEW AMBASSADOR TO UN--Nicaragua's delegation to the United Nations will be headed by Jaime (Pasteur), who left today for New York to take up his post. (Pasteur) will also be the Sandinist government's official representative to UNIDO and the International Atomic Energy Agency. [PA281321 Managua Radio Sandino in Spanish 0300 GMT 26 Feb 80 PA]

CSO: 3010

**SIMMONS , DANIEL PLEDGE ACCELERATED DEVELOPMENT**

FL251105 Bridgetown ADVOCATE-NEWS in English 20 Feb 80 p 3 FL

[Excerpts] Basseterre, St Kitts, 19 Feb (CANA)--St. Kitts-Nevis coalition partners Dr. Kennedy Simmons, 43, and Mr. Simeon Daniel, 45, today pledged to pursue policies aimed at accelerating development of the tiny two-island federation.

Dr. Simmons is premier of the new administration, and Mr. Daniel the minister of finance and Nevis affairs. The latter said he had not held out for the premiership in his discussions with Dr. Simmons.

The People's Action Movement (PAM) led by Dr. Simmons won three seats at yesterday's crucial pre-independence general election, with two going to Mr. Daniel's Nevis Reformation Party (NRP).

Outgoing Premier Lee Moore, leading the Labour Party into election battle for the first time held this seat, but the party lost power. At mid-afternoon he announced that he had resigned and offered congratulations to the new government.

Dr. Simmons and Mr. Daniel, talking to reporters at Government House after meeting Governor Sir Probyn Inmiss, said that breaking the labour stranglehold of three decades was long overdue, but a tough task of developing the country was ahead.

Dr. Simmons said the administrations' priorities included reduction of the voting age to 18, general involvement in the country's youth in the thrust forward, abolition of income tax, removal of consumption tax from essential items of food and drugs, better housing and improved social amenities.

He intended, too, to press for rapidly expanded tourism.

Mr Daniel, whose wife gave birth to a son (his seventh child) this morning, said the new administration would strive to implement the NRP's manifesto pledges for economic development of the impoverished island.

He conceded that the outcome of the election and the formation of the coalition government must impact on the question of Nevis secession, but said there was no immediate change from the position announced following a constitutional conference in London last December.



That was that the island go into independence as one unit early this year, and a referendum held on Nevis within 18 months on the secession issue.

Dr. Simmons is known to be cautious about independence now, while anxious to maximise whatever assistance St. Kitts-Nevis could attract from overseas.

He has said that a close relationship with North America would be important to the country's efforts for rapid development.

CSO: 3020

COUP D'ETAT RUMORS, POSSIBILITIES DISCUSSED

Caracas BOHEMIA in Spanish 4-10 Feb 80 pp 6-9

[Text] President Herrera is warning against the dangers of subversion in the country and on the continent. Osvaldo Alvarez Paz, head of the COPEI [Social Christian Party] members of Parliament, supports the presidential statement and adds that "without a doubt, signs of subversive-type activities are beginning to appear in the country."

Dr Gonzalo Barrios, president of the Democratic Action (AD), warns of a coup and cites Article 250 of the constitution in order to discourage anyone from yielding to the temptation of conspiratorial maneuvers. For Barrios, no one "should seriously believe that a violent interruption of the normal political process could provide desirable solutions not accessible by means of public debate."

The president of the AD recognizes that the conspiratorial issue has not been absent from certain conversations and that it is not rash to suspect that some "trafficker having fallen on hard times" or some pettifogger is invoking old "lifesaving" fantasies. The AD leader concludes by seeking suitable means to nip the rumors in the bud.

For the former MAS [Movement for Socialism] presidential candidate, Jose Vicente Rangel, the president's statement about a possible conspiracy is nothing more than another one of the government's maneuvers aimed at diverting attention from the country's more serious problems. In Rangel's words, Luis Herrera wants "public opinion to turn its attention to problems that truly do not exist, such as subversion, in order to be distracted from problems really affecting us at this time."

Cyclical Rumors

Nevertheless, other persons had already raised their voices to issue a warning. There was talk of the danger of a military alternative, in the face of the alleged failure of the so-called "establishment" parties: the COPEI and the Democratic Action, and the supposed inability of the left to present a viable alternative.

The militarist alternative is thus posed among the possible solutions and was recently discussed by a writer who is linked to the current government: Alfredo Tarre Murzi, now serving as ambassador in UNESCO.

Even more recently, the issue was dealt with extensively by retired Gen Arnaldo Castro Hurtado in an interview granted to MOMENTO. For the former army commander, who returns to the public arena to castigate both the government and the political parties, "military coups are the direct consequence of a situation created by the very governments that hold power."

Furthermore, although he does not say so clearly, Castro Hurtado seems to insinuate that we are reaching the type of situation that could be termed a "power vacuum," in which the Armed Forces take over the government in the face of the diversity and gravity of problems that have not been solved.

Castro Hurtado blames the parties that have governed the country, particularly the most important leaders, Romulo Betancourt and Rafael Caldera. He believes that there is a latent fear that the militarist alternative might put an end to democratic stability and consequently shares the views of Tarre Murzi, whose words he deems reasonable and accurate.

#### Criticisms of Democracy

It is obvious that in Venezuela, democracy has managed to operate in a relatively stable fashion. Elections are held every 5 years and the practice of republican alternation is followed. Congress represents the various political forces. Political parties exist and individual freedom is guaranteed.

But from one end of the political spectrum to the other, everyone criticizes, mainly singling out the parties for blame because they have been ineffective in finding solutions for certain problems that have accumulated. Governments come and go; the people grow disenchanted and pick a new president from the ranks of the Opposition. Soon comes new disenchantment and more frustrations.

This is the situation that generates skepticism and frustration and creates a perfect breeding ground for ideas of a coup, even when people know that the military alternative is not any real solution and when bitter experience has proven that the evils exhibited by a de facto government in no way compensate for the state of order and tranquillity that it can guarantee for a time.

#### International Context

It is also true that the Latin-American context is favorable for governments of force, or at least it was until only very recently. In Venezuela,

the democratic experiment has managed to survive for over 20 years at the same time that militaristic governments have been established almost everywhere on the continent, particularly in the so-called Southern Cone countries which for so long were considered to be incomparable democratic examples.

Venezuela looked like an island in the middle of a continent plagued with dictatorial governments, a situation that only now begins to be different with the new openings in Ecuador, Peru, Brazil and Bolivia and the overthrow of the Somoza dictatorship.

To this international framework, one must add the increasing tensions between the great powers and the conflicts existing in different parts of the globe, which have taken us back to the worst times of the cold war.

It is true that an international situation such as the one existing at present stimulates rash attempts at military takeovers from within and without. The doctrine of national security gains in strength and the people come to believe that an open, democratic government is not an adequate guarantee in the time of a wide-ranging conflict between the ruling powers.

It has not been by sheer coincidence or accident that democratic governments have had such a precarious life since World War II and throughout the decade of the cold war, and that a chain of military governments — the international call to arms — should proliferate throughout the hemisphere with the backing and approval of the great power to the north, desirous of opposing and combatting the "communist threat."

Consequently, international events join with a complicated domestic picture marked by the accumulation of problems that have not found solutions. Social deprivation, the population explosion, crime and the lack of personal safety, corruption, the signs of an economic recession and unemployment are all elements of a situation in the face of which the ruling party has been powerless to find adequate responses. Rumors and lies take shape and become the daily topic of conversation of persons from all social strata.

#### Defenders of Democracy

In spite of everything, the main political leaders are optimistic and do not view a coup as imminent, much less as a real solution. David Morales Bello does not advise the imposition of a military regime even with the alleged failure of the political parties.

For Teodoro Petkoff, MAS leader, "the idea of a military government finds support among many people as a result of the failure of the dual COPEI-AD leadership."



## Participation of Armed Forces

Nevertheless, the democratic political system is not in a crisis or even at the brink of a precipice. Furthermore, throughout these 20 years, there has been forged an institutionality of great complexity that makes a de facto government like the one in 1945 or 1948 difficult. The Armed Forces themselves have become more institutionalized and participate more and more in discussion and debate. They have emerged to a large extent from the isolation to which they were condemned for many years.

In truth, the Armed Forces are no longer removed from concern over the existence of democracy and possible changes favorable for everyone within an institutional framework. It is equally true that every day, there is less talk of the "apolitical" nature of the Armed Forces, although their obedient, no-deliberative nature is strengthened constantly.

For better or worse, our army has participated in all the far-reaching events that have occurred in our country throughout its history. This was true until recent times. One has but to cite the dates of 18 October, 24 November and 23 January to recall dates from only the past four decades.

Consequently, there is a reiterated and outstanding presence of military men in contemporary Venezuelan political life, and their contribution prevents one from calculating or judging the military presence in the abstract or from considering it per se as being negative.

It is worthwhile to point out the clear differences between our Armed Forces and the Armed Forces in the Southern Cone countries, for example. In Venezuela, there has never existed, nor does there today exist a military class.

This is an important fact seen throughout our republican history. It has been of particular importance in recent years, especially since the death of Gomez and the disappearance of the post-Gomez governments.

For that very reason, it is possible to be optimistic and think that the current dilemma in the country is not posed, as it once was, between democracy and a dictatorship, but rather, has turned into a choice between the preservation of democracy as it is now conceived and as it has been molded since 23 January and the development of that democracy toward higher levels of social solutions.

## Other Conspirators

Having discarded the danger of a military coup, one might think that democracy runs the risk of subversive action from other groups that might take advantage of the obvious social malaise existing throughout the country.

In some demonstrations and people's protests, it is easy to detect the action of small groups that make subversion their *raison d'être*. These may be the groups to which the president and the leaders of his party refer.

Nevertheless, the insurgent action of these groups appears to be a minority, isolated phenomenon that does not go beyond statements, signs painted on walls and commando actions that generally turn into provocations or serve as a pretext for police repression.

As the government itself knows, there are now only isolated cores of guerrilla insurgents that do not represent any danger to the stability of the system, devoted as they are to propaganda rather than to warfare.

Moreover, most of those who at some time chose the path of armed action are now acting within the framework of democratic legality and have rallied to the policy of pacification practiced by the current government.

Nor can any subversive intent be seen in specific protests. In a democratic system, we must become accustomed to living with the daily demands of the people.

The few strikes that occur in the country cannot be included in the alleged subversive mechanisms or attempts at destabilization. They are simple means of struggle and no one associates them with the destruction of institutions, no matter how numerous or prolonged they might be.

#### Sleep Tranquil

Finally, as the minister of interior admitted in recent statements, we can expect a crescendo of social conflicts and tensions in the country.

The discontent among the people and the use which political opposition groups and the trade unions make of it point to mobilizations, strikes and demands.

But one can also observe a firm determination on the part of the great majority of the political sectors to insert their actions into the framework of institutional mechanisms and to use all possible means to strengthen the existence of democracy, while at the same time eliminating action that may have subversive connotations.

This has been demonstrated by the concern and warnings, not only of the government, but also of authorized spokesmen of the principal leaders of the Opposition, beginning with the Democratic Action and the Movement for Socialism and including all legally existing parties and institutions.

The possibility of a military alternative can only be inscribed within an unreal set of possibilities whose concrete realization is not likely.

Nor is there any real basis for extremist insurgency because the groups interested in such a solution do not have the strength to pull it off, much less the popular support needed so that actions of this type would be victorious.

Nor does the magnitude of the conflicts point to leftist or rightist solutions outside the framework of the system and its institutions. We can sleep peacefully and without worry, as the very president himself advises and does.

AD SPLIT FORESEEN IN 1980; PEREZ SEEN AS CAUSE

Caracas RESUMEN in Spanish 3 Feb 80 pp 14-16

[Article by Junio Perez Blasini]

[Text] We have often stated that the three splits that have occurred in the AD [Democratic Action] resulted from different causes: ideological reasons in the case of the MIR [Movement of the Revolutionary Left]; personal ambitions in the case of the ARS [? Socialist Revolutionary Action] or the PRN [Nationalist Revolutionary Party]; and reasons of group hegemony in the case of the MEP [People's Electoral Movement]. The fourth split, which can be seen coming from any angle of observation, would be based on moral reasons. We shall explain: In the Democratic Action, there are at the present time two factions in open, unconcealed conflict. One is headed by the old founders of the party, led by Romulo Betancourt and Gonzalo Barrios, who have an ethical and moral view of what politics is. The other, which former president C. A. Perez is trying to command, has its support among a few intermediate-level cadres at the regional level, farm workers and a handful of trade unionists whose concept is different from that of Betancourt and Barrios. To date, the three bosses of the respective conservative divisions have been men of recognized political honesty and their behavior was never questioned when they left the conservative fold. This is not the case of C. A. Perez. The former president is a man being questioned by the Ethics Committee of his party, investigated by the CIEI [Committee Investigating the Illegal Use of Public Funds by Public Officials and Employees] and now subjected to another investigation by a congressional committee headed by Deputy Ramon Tenorio Sifontes. In other words, C. A. Perez has no moral authority, as far as public opinion is concerned, to head the fourth conservative group. It is possible that this circumstance will prevent the possible division, but not Perez' departure from the AD, because the latter is practically being kicked out by the highest leaders of the AD.

What led to the state of crisis in the Democratic Action, where all members have even been prohibited from speaking about the famous case of the "Sierra Nevada," was the meeting of AD farm workers headed by the comrade of C. A. Perez, Francisco Vargas Munoz. At the meeting, which was quite

unfortunate when one considers the difficult times the AD is now experiencing, what was practically a panegyric was made to the former president and a challenge was issued to the old conservative leaders. A few days later, Manuel Penalver, a trade union leader, was also more or less lauding the former president, but the eulogy was concealed in a resolution of the CEN [National Executive Committee], where Perez' fate was for all practical purposes in the hands of regular justice and not the party. At any rate, Penalver's statements disturbed "Pacairigua" and the so-called Betancourt group. In general, one could say that both the farm workers' meeting and Penalver's statements split the party into two almost permanently irreconcilable factions.

One curious fact which from all angles has favorable political projections is the following: At the farm workers' meeting, C. A. Perez delivered a speech in which, in addition to expressing his gratitude for the praise showered upon him, he stated that the Democratic Action is a party experiencing its gravest crisis, a party which, in aeronautical terms, was in a spin and a dangerous dive. These words from the former president were obviously aimed at making people see the need to put an end to the internal struggle, a struggle which no one but he caused by his bad government and behavior, according to public opinion and the political analysts. The old guard of the party responded to Perez' speech and the farm workers' meeting and Romulo Betancourt called a meeting at his Pacairigua residence in which Luis Pinerua Ordaz, Gonzalo Barrios and Alejandro Izaguirre, secretary general of the party, participated. Following this meeting, the daily press reported that Gonzalo Barrios had said that the speech given by Perez at the farm workers' meeting had all the characteristics of "factionalist activity" (a mortal sin in the AD). This was a serious accusation when one takes into account the leader who made it: Gonzalo Barrios. In other words, the struggle has now been defined in clear, precise terms. It must be noted that these statements by Gonzalo Barrios would never have been uttered if he had not first consulted with Betancourt himself and with those present at the Pacairigua meeting. Politically speaking, there can be no doubt that 1980 will irreversibly be the year of the fourth division of the AD or the departure from the party of a group of members led by C. A. Perez.

Another factor that has also disturbed the AD family has been the meetings periodically held by Perez with the party's secretaries general and secretaries of organization on a regional level. One must not forget that the very CEN of the AD forbade Perez from speaking at regional AD headquarters in order to explain its internal situation and his intervention in the case of the "Sierra Nevada." Perez, who has never been a dummy, chose to summon the gentlemen mentioned to his office in the Torre Las Delicias. Naturally, Perez' action irritated the members of the CEN, especially Gonzalo Barrios and Secretary General Alejandro Izaguirre. In short, all of the foregoing means that the internal situation of the AD is very similar to the world situation between the Americans and the Russians as the result of what is happening in Iran and Afghanistan. To date, there has been one group in the AD that has not made any public pronouncement on the



internal struggle. That is the so-called "Lusinchista" group headed by Jaime himself and in which Carlos Canache Mata, Jose Angel Ciliberto and Celestino Armas make up the staff.

Some time ago, it was said that this group followed C. A. Perez in the AD. They have now tried to distinguish themselves from the former president and while it is possible that they will defend him in the CEN, it is an uphill battle to believe that when the time comes for Perez to leave the party, the Lusinchista group will accompany him. RESUMEN has learned from absolutely reliable sources that Jaime Lusinchi, Jose Angel Ciliberto, Carlos Canache Mata and Celestino Armas are not willing to suffer the same fate as Perez, if the latter is kicked out of the AD or decides to leave on his own, which is not completely impossible.

This is the way things stand in the Democratic Action, a party which only a little over a year ago looked like an unbeatable giant in the national political arena. Today, the AD's image has been so damaged nationally that it is already being said that it is the third political force in Venezuela, if the leftists decide to unite as they did in the municipal elections of 3 June 1979. Now then, who is to blame for this crisis that has brought the AD to the brink of death? Is it C. A. Perez because of his bad government? That is possible. Or did the AD let itself be led by Perez, without putting up the slightest resistance? That is also possible. What is certain is that the mere presence of C. A. Perez in the AD is the most obvious disturbance in the life of the Conservative Party. Generally speaking, the impression the AD gives is similar to the Indian tribes where one can observe many separate huts that one knows belong to the same race, but where in each one, the inhabitants have their own problems and all try to solve them in their own way. It is unfortunate that this should have happened in the principal national political party, a party which scarcely a year ago hoisted its glorious battle flags and proudly told of its sacrifices for Venezuela. We have yet to learn what Romulo Betancourt thinks of this new and sad situation from his Pacairigua bunker and what would be the opinion of men such as Valmore Rodriguez, Romulo Callegos, Andres Eloy Blanco, Leonardo Ruiz Pineda, Alberto Carnevali, Luis Hurtado, Antonio Pinto Salinas and so many others who have left us physically, but who continue to live in the souls of the true Adecos, the Adecos who do not like to be called thieves, the Adecos who still retain their pure sense of honor, the Adecos who, when they hear their party spoken about and the horrors they are living through, are not ashamed to weep, as RESUMEN saw them do when they realized that they were powerless to prevent the debacle and demoralization of the organization they founded and do not want to see die.

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**VENEZUELA**

**YOUTH GROUP CRITICIZES GOVERNMENT POLICY ON EL SALVADOR**

**PA270216 Caracas Radio Continente Network in Spanish 2100 GMT 26 Feb 80 PA**

[Text] The Democratic Republican Union [URD] youth criticized the Venezuelan Government for its attitude toward the situation in El Salvador. According to the URD youth, the Venezuelan Government is committing a mistake in making the people believe that communist penetration in the Caribbean represents a threat to democracy in the area. This was said by Angel Fermin, a URD student leader, who added that the political process which is taking place in El Salvador is a matter which only concerns the Salvadoran people.

Fermin said that the government junta run by Col Adolfo Arnoldo Majano is deteriorating because it does not have the people's support. Proof of this is the fact that the people have not responded to the Christian Democratic Party's request to support the government junta. The URD youth also expressed their solidarity with the struggle the Salvadoran people are waging to establish a revolutionary government favoring lower income sectors.

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## VENEZUELA

### LACK OF HOUSING, PUBLIC SERVICES PREDICTED TO WORSEN

Caracas BOHEMIA in Spanish 4-10 Feb 80 pp 36-41

[Article by Enrique Castejon Lara: "Slums Without a Future"]

[Text] All of Venezuela's slum neighborhoods have serious deficiencies which cannot be solved despite electoral promises every 5 years. This categorical statement is not simple conjecture or a deduction but rather it is the result of a study prepared by FUNDACOMUN /Foundation for Community and Municipal Development/.

In 1978 FUNDACOMUN prepared a study entitled "Infrastructure, Housing and Community Services Shortages," which provided significant data which not only described scientifically the poverty in which millions of Venezuelans live but also the terrible fate which awaits them.

#### Cronic Shortages

In light of the FUNDACOMUN studies, there is no hope for the poor. It would require almost the entire national budget to meet the needs of the poor. That is why we can expect that a great many years will pass before the nation can provide the so-called poverty belts which ring every major city with basic services that will not improve the lives of the needy but will make them less unpleasant.

In financial terms, the FUNDACOMUN study states that by 1983 the nation will need to make an investment of 36.9 billion bolivars. This represents 63 percent of the national budget. This figure does not include the increase in prices by the end of the decade.

So that logically, there is no hope that the crisis situation will change especially if we compare estimates made by the FUNDACOMUN report for previous years. We can see that the figures increase dramatically and systematically. In 1978 the estimate was for 18.05 billion bolivars. By 1979 the figure had risen to 21.25 billion bolivars. There is no question that there is a sharp rate of growth because of the small budget allocations made for the needy.

Incidentally, according to a report recently published by BOHEMIA, FUNDACOMUN will receive less funds than it needs this year. Obviously, this will affect public works to benefit the needy.

#### Reasons for the Study

The report which served as a basis for this study was published in 1978 when sociologist Sonia Perez was president of FUNDACOMUN. In the introduction to the report, she states:

"The Foundation for Community and Municipal Development is preparing a series of studies and doing research in preparation for the establishment of a 5-Year Services Investment Plan for the slums for the 1979-1983 period. These series of studies constitute what we have called the basis for the establishment of the 5-Year Plan. The studies have been divided into three parts."

The first part evaluates and identifies the "shortage of services in the nation's urban slums." The second part establishes the criteria for determining priority in allocating funds to cities with slums. And the third part outlines how much can be spent based on government revenues.

#### Study Characteristics

The report in question studied three basic aspects: infrastructure, housing and public services in 58 cities with a population of over 20,000.

With respect to infrastructure, FUNDACOMUN broke it down into the following components: aqueducts, sewerage, lighting, sidewalks, street curbs streets and so forth. Housing was broken down into relocation, new housing construction and permanent structures.

FUNDACOMUN broke down services into doctors visits, family planning, pharmacies, food supplies, libraries, clinics, law enforcement, crime prevention and so forth.

This enabled the Foundation to determine the extent of the lack of all kinds of services in the slums throughout the nation. And FUNDACOMUN is the only agency responsible for solving the numerous and serious problems. Now, according to new legislation, none of the ministries have any jurisdiction in this area.

#### Other Deficiencies

The FUNDACOMUN study not only reviewed the financial aspect but it also gathered data that showed the extent to which the serious problems of the nation's poor are insoluble.



In its statement of purpose the report on Infrastructure, Housing and Communal Services Shortages states: "The first part has been published because it has been determined that the data of themselves are significant in that they provide a detailed overall view of the magnitude and importance of the problem facing the nation in this area. At the same time, we feel that publishing the data will make them available to more experts to study and find ways to deal with the problems. This will provide us with a more precise idea of the problem of providing services to the poor."

It adds: "The deficiencies estimated for slums in 57 cities in the interior correspond to specific infrastructure deficiencies--according to the inventory--recorded at the end of 1977. Since the objective was to determine the cost for the 1979-1983 period, it was necessary first to determine what services were needed at the end of 1978, the start of the period under study."

But the deficiencies in the three areas (infrastructure, housing and services) were also translated into figures. At the end of 1979 there was a shortage of 2.98 million linear meters of sewer pipes; 1.52 million linear meters of aqueducts; 19.9 million square meters of paved roads and streets; 6.1 million square meters of sidewalks; 5.17 million linear meters of curbs and 72,746 street lamps.

Housing and modular unit needs were also determined. In housing an overall shortage of some 32,369 units was reported. A shortage of 193 modular units was reported at the time of the study.

All of this demonstrates that Venezuela is incapable of effectively facing the problem of poverty since the deficiencies are notorious and financing is extremely limited. In addition, it must be taken into account, as the report itself points out, that costs are rising systematically just as the birth rate among the poor remains high.

#### Slums Without a Future

The major conclusion of the Infrastructure, Housing and Community Services Shortages report is dramatic. Because of the scope of the diagnosis, there are no valid alternatives to solving the enormous problems of all the nation's slums. It will only be possible to carry out, despite the many electoral promises, a limited number of projects that will make the lives of the poor "less unpleasant."

Because of the lack of money and the poor administration to date of government funds, we can foresee that there is no future for the hundreds of slum dwellers in Venezuela. At best the present holds many hardships for them.

ORINOCO OIL AREAS ASSIGNED TO OPERATING COMPANIES

Caracas EL UNIVERSAL in Spanish 30 Jan 80 p 2-26

[Interview with Dr Humberto Calderon Berti, minister of energy and mines, by J. R. Hernandez: "Four Operating Enterprises Assigned Responsibilities in Orinoco Bituminous Belt"]

[Text] San Tome, Anzoategui State, 29 Jan (INNAC)--Dr Humberto Calderon Berti, minister of energy and mines, arrived here unexpectedly this morning.

[Question] Any news?

[Answer] We have assigned responsibilities to the four operating enterprises in the Orinoco Belt.

He added:

"Lagoven was given southern Monagas for exploration and evaluation in order to study and carry out development programs in that area. These include production of some 300,000 barrels of crude oil per day until 1987 with a production of 175,000 barrels of improved crude oil."

He revealed that the responsibility for southern Anzoategui was given to S.A. Meneven.

He indicated: "Instructions have already been given to carry out exploratory programs in order to evaluate the hydrocarbon potential there."

He noted that there are indications that production of at least 50,000 barrels daily can be developed.

"That could reach 100,000 barrels per day in 1983-1984."

[Question] What about Maraven and Corpoven?

Minister Calderon Berti listened to the question and then answered:

"They have been assigned responsibilities in parts of southern Anzoategui and Guarico State in order to determine the hydrocarbon resources there."

He paused and then added:

"I think the projects Meneven has carried out until now are very satisfactory and the results are much better than our expectations."

He said: "The discoveries were much greater than we had expected."

He emphasized: "Therefore, we are very optimistic about the oil future of southern Anzoategui."

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OIL INDUSTRY GOODS, SERVICES NEED TO BE NATIONALIZED

Caracas EL UNIVERSAL in Spanish 7 Feb 80 p 2-7

[Text] We must expand our oil nationalization process without irresponsible haste and without unjustified hesitation, according to Dr Jose Ignacio Moreno Leon, acting minister of energy and mines.

The expert gave a speech to the Chamber of Suppliers of Oil Goods and Services on the occasion honoring engineer Humberto Penalosa, founder of the chamber and now member of the board of directors of Venezuelan Petroleum, Inc.

After explaining the general features and concrete actions of the national government's policies to encourage the development of domestic sources for goods and services for our oil industry, Moreno Leon indicated that the government is aware of the fact that the national oil industry is supplied with mainly imported goods and services. In addition to being a large drain of currency with great effect on our economy, it is a weak aspect in our nationalization process, extended integrally, which noticeably affects the general development of the country.

For this reason, we believe that there is an urgent need to develop national enterprises to produce supplies for our oil industry. We cannot tolerate a situation in which our national oil industry depends, to such a marked degree, on imported supplies for its normal development as occurred under the concession system.

The policy of expanding the nationalization process requires a great effort, with the active participation of the private sector, to supply these goods and services domestically. In this way, we will be guaranteeing a more autonomous oil industrial development and also fully incorporating this industrial sector into the entire productive system of the country so that our oil will increase in importance as a vehicle for national transformation.



We must consider that the oil industry spent more than 1.2 billion bolivares for purchases in 1976 and only about 500 million bolivares --that is, less than 42 percent--were for national purchases. In 1979, only slightly more than 1.8 billion bolivares out of almost 5.4 billion bolivares--that is, little more than 30 percent--were for national supplies. Since the estimates for total purchases of material and equipment in 1980 are about 6.5 billion bolivares, of which 2.4 billion--37 percent--will be for national supplies, we must conclude that there is still plenty of room to develop an important business activity--generating goods and services for our oil industry--at the national level.

The speaker continued that the future should also be considered. Using a good policy of oil diplomacy and exploiting the present national and international oil situations, these businesses could not only be planned and developed for our internal market which, as we have seen, is very important but there is also the possibility of acquiring, with state support, an appreciable portion of what could be a large international market of oil supplies within OPEC.

The minister then referred to the fiscal and tax measures that are being taken as a preliminary step for the development of the plan to promote national enterprises for oil goods and services. He mentioned the formation of a special committee under the coordination of CORDIPLAN [Office of Coordination and Planning] which is doing this general planning.

The speaker ended by stating that the oil nationalization process should not be limited to maintaining autonomy in industrial management and marketing but it should spread to all fields of economic activity and national life.

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BRIEFS

**OIL BYPRODUCTS CONSUMPTION INCREASE**--Caracas, 7 Feb (LATIN)--The consumption of oil byproducts grew 10.6 percent in Venezuela in 1979, the Energy and Mines Ministry has reported. A study indicates that the per capita gasoline consumption was 620 liters in 1978 and will reach 716 liters this year. [PA251805 Buenos Aires LATIN in Spanish 1522 GMT 7 Feb 80 PA]

**PUBLIC SECTOR IMPORTS**--Public sector imports totaled \$3.28 billion in 1979 which means an increase of 15.6 percent compared to 1978, according to ICB [Foreign Trade Institute] estimates. Based on the import requests made by the public organizations which go through the ICB, it was reported that this increase of 15.6 percent does not surpass the rate of growth for 1973-1978 which was about 43.5 percent. Nevertheless, the percentage of government imports with respect to total imports has remained stable at approximately 24 percent. The organizations that imported most included SIDOR [Orinoco Iron and Steelworks] with 24 percent, Corpomercaideo with 18 percent, PDVSA [Venezuelan Petroleum, Inc.] with 18 percent, Interalumina with 9.9 percent, CADAPE [Electrical Administration and Development Corporation] with 7.5 percent and CANTV [National Telephone Company of Venezuela] with 7.3 percent. They represent 85.4 percent of the total imported by the state. The main countries that supplied those imports were the United States, Japan, Germany and Italy. [Text] [Caracas EL UNIVERSAL in Spanish 8 Feb 80 p 1] 7717

**AVERAGE OIL PRODUCTION**--Caracas, 25 Jan (VENPRES)--The average daily oil production until 16 January 1980 was 2,296,620 barrels, according to the Ministry of Energy and Mines in its weekly letter today. It pointed out that on that date, the average oil production was 2,356,362 barrels a day, a decrease of 59,742 barrels daily (a 2.54-percent reduction). The report by the Ministry of Energy and Mines indicated that exports of crude oil and products averaged 1,911,000 barrels daily; on that same date in 1979, they averaged 3,032,000 barrels daily. This meant a decrease of 121,000 barrels a day (5.95 percent). The reduction in production and exports is due to the conservationist policy of the Venezuelan Government. [Text] [Caracas EL UNIVERSAL in Spanish 27 Jan 80 p 1-29] 7717

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207

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